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SOCIAL JUSTICE

Father Coughlin's Weekly Review

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Volume IV. No. 2 | Royal Oak, Michigan | August 30, 1937

CONGRESS GOES HOME: DEMOCRATS BADLY SPLIT

New Temple for the Money Changers

The ornate structure above is the new Federal Reserve building, hangout for Barney Baruch and his Wall Street brothers when they aren't fraternizing in the White House or infesting the halls of Congress. Endowed by United States taxpayers, the building is built of Georgia marble and cost about $3,500,000.

It is situated on Constitution avenue in Washington, is air-conditioned and surrounded by terraces and formal gardens. Behind 12 columns which encircle the lobby are inscribed the names of central Reserve Bank cities—Boston, New York, Richmond, Cleveland, Philadelphia, Minneapolis, St. Louis, Atlanta, Chicago, Dallas, San Francisco and Kansas City.

A portrait relief of President Wilson, known as the "Father" of the Federal Reserve System, also adorns the lobby.

Senators Challenge Threat of Defeat for Vote on Court 'Pack'

Adjournment of the 75th Congress left the Democratic party, which rode to victory with the "mandated" administration, hopelessly shattered—with the "rubber stamp" badly melted in the heat of controversy.

Besides defeating the Supreme Court packing bill of the President, Congressmen asserted their independence upon two occasions by overriding vetoes of the executive.

In the closing moments of the Senate four Democratic leaders—Burton K. Wheeler of Montana, Edward R. Burke of Nebraska, Joseph C. O'Mahoney of Wyoming and Rush D. Holt of West Virginia—defied "anyone anywhere" to attempt the defeat of Congressmen who had voted against the President's court pack. Their challenge was responsive to a threat by Senator Joseph Guffey of Pennsylvania that senators who opposed the President "would be defeated." Announcement of Guffey's resignation as chairman of the Democratic senatorial campaign committee halted the circulation of a petition to remove him from that post.

Congress Overrides Two White House Vetoes

For the first time in history, a farm bill became law over the "I forbid" of a president when both House and Senate mustered the necessary two-thirds vote to approve the Gillette-Bierman bill, continuing low emergency interest rates on farm loans.

The legislation, vital to thousands of near-bankrupt farmers, extends the 3½ per cent interest rate on federal land bank loans for another year and reduces the interest rate on land bank commissioner loans from 5 to 4 per cent.

Congress also overrode a White House veto of a war veterans' insurance measure, marking the third major battle the President has waged with Congress over legislation affecting ex-soldiers. Each time he has been beaten decisively.

Highlights of Session

President Roosevelt usurped right of a state governor to fill a vacancy in Senate for the first time in history of Congress. He compelled Gov. Gordon Browning of Tennessee to name George L. Berry, labor politician, to seat left empty by death of Senator Nathan L. Bachman. . . . Berry was on record in favor of court pack bill; Bachman had been opposed to it.

Secretary of Treasury Morgenthau seeks to divert attention of country from controversial court bill by raising issue against tax "evaders and avoiders." . . . Investigation by House, Senate committees is huge flop, and Senator Harry F. Byrd of Virginia declares: **"We shall never have tax equality so long as we have tax-exempt bonds."** . . . Failure of government to levy on bonds, held mainly by international bankers, is described as biggest loophole in our revenue laws.

Five-year struggle to rescue **Thomas-Massingale** farm cost-of-production bill from "gag" limbo is crowned with success as bill is granted hearing by House Agriculture Committee. . . . Measure gets no farther, however, as President is opposed to it.

Vice President "Cactus Jack" Garner breaks with President Roosevelt over court packing bill and leaves for home in Texas. . . . Garner was also incensed at alliance of administration with Committee for Industrial Organization. . . . Returns to Washington to restore party harmony after Senate Majority Leader Robinson's sudden death when he is assured that judiciary plan will be shelved.

Startling charge that acreage and production statistics on farm commodities, dating back to year 1866, have been "falsified and juggled" within the last two years is hurled at Department of Agriculture by **Senator Rush D. Holt (W. Va.) and Edward E. Kennedy,** farm spokesman. . . . Department evades straightforward answer in letter to Holt.

Representative Clare E. Hoffman, in speech on floor, cites story in Social Justice as evidence for charge that high administration leaders purposely allowed "bloody riots" to continue in auto and steel strike areas. . . . Calls attention to article quoting President Roosevelt as saying: **"If Communism breaks in America, it will first manifest itself in the Detroit area."**

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Congress Didn't

During the session just finished Congress—

Failed to take action on the Frazier-Lemke bill, which provides the only intelligent system of refinancing mortgage loans on farm homes threatened with foreclosure.

Made no attempt to save the homes of town and city people from foreclosure.

Rose to heroic heights by sending President's court packing bill back to Senate Judiciary Committee, thus killing the measure for this session.

Refused to pass bill to reorganize government departments, which would have further centralized power in the executive.

Refused to enact much-needed amendment to Wagner labor act. Amendment would have given American unions a chance to represent themselves in the same factories with Communist-led unions.

Failed to bring Thomas-Massingale farm cost-of-production bill,

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What Congress Did

Following is a brief glossary of major legislative bills which became law during the last session of Congress:

Reciprocal Trade Act Extension: H.J.R. 96; sponsored by Represenative Robert L. Doughton of North Carolina; extends until June 12, 1937, the power of the President to enter into trade agreements with foreign nations; President may, at his descretion, lower tariff rates as much as 50 per cent on foreign imports. This act has been a boon to big manufacturers, bankers and munitions makers because it has vastly increased the foreign market for American durable products such as steel and other war essentials needed by European powers. But the American farmer has suffered because of increased imports of competitive farm products which have deluged our shores under the reciprocity clause.

Neutrality Act of 1937; S.J.R. 51; sponsored by Senator Key Pittman of Nevada; empowers President to

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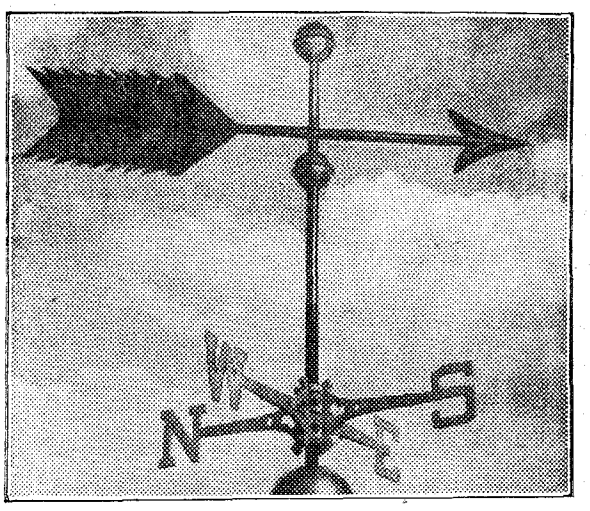

THE INDICATOR

By Father Coughlin

AT THIS writing the United Automobile Workers are concluding their convention at Milwaukee. Of national importance are the discussions occupying the attention of the delegates. According to Homer Martin, the president of the U. A. W., and Richard Frankensteen, organizer, efforts are being made to rid their organization of Communistic principles and leaders.

* * *

Every person in Michigan recognizes that the leadership and the principles referred to have been playing a prominent part in the activities of the auto workers. Everybody is hopeful, therefore, that Homer Martin and Richard Frankensteen will truly succeed in their objective.

* * *

It is our opinion that at least 85 per cent of the men belonging to the U. A. W. are good, honest Americans who are tired and weary from having suffered so much exploitation and social injustice.

SOCIAL JUSTICE is glad to go on record in stating that as soon as Communistic leadership and Communistic principles will have been officially repudiated by the U. A. W., its whole-hearted support will be given to the movement which, by the way, it was my privilege to assist in forming some years ago.

The union of automobile workers belonged to us before it ever fell into the hands of questionable leaders.

At no time has this paper, or have I personally, ever indicted either Homer Martin or Richard Frankensteen as Communistic.

* * *

This conditional offer of whole-hearted support in no way implies that SOCIAL JUSTICE favors a class government, a class struggle or a class code of legislation. We still cling to our principle that government should be for all men and that victory over the exploiters should be acquired only by legal methods, among which is the right to strike on the part of the actual workers in a given factory and the right of their supporters elsewhere to assist them by reasonable cooperation.

* * *

SOCIAL JUSTICE is not so narrow-minded as to hold the position that only Christians may belong to the U. A. W. It recognizes that, in this democratic nation, any citizen who is a worker in the automotive industry may join that organization. So far as we have reason to believe that Christians are in the vast majority amongst the auto workers and that Christian principles founded upon social justice are the only principles which can lead to economic and industrial emancipation, we are forced to take the stand, however, that we will become strong supporters only when Homer Martin and Richard Frankensteen will have eradicated all leadership and all principles which are not in harmony with Christianity.

* * *

TO WHAT extent is the U. A. W. regulated and dominated by the C. I. O.? To what extent is the C. I. O. schooled and officered by Communistic minded men?

These are open questions which may be answered only by Homer Martin, on the one hand, for the first, and by John L. Lewis, for the second question.

Circumstantial evidence (which is not entirely conclusive) disfavors the C. I. O. as far as SOCIAL JUSTICE is concerned. **This circumstantial evidence cannot be dissolved until John L. Lewis himself repudiates the Russian pattern, the class struggle, the class partyism and the other vital objections which Christians, as a rule, entertain against Communism.**

* * *

It is to be hoped that this repudiation will soon eventuate. It will have the effect of clarifying a cloudy situation. It will be a magnet, as it were, to attract the support of all good men of good will who have lived through a period of labor exploitation. It will insure certain victory for the down-trodden and oppressed in the sense that it will insure justice for all including the manufacturer.

* * *

The decision of John L. Lewis, which must be made quickly lest dissension will nullify all his efforts, is of paramount importance. Indications that such a decision will be forthcoming already are evident.

* * *

THE national headquarters for the Committee for Industrial Organization and Governor Elmer A. Benson of Minnesota are now considering recommending changes in the American banking system, according to Emil E. Holmes, state chairman of the Union Party of Minnesota. Mr. Holmes said:

> "Walter Smethurst, executive assistant to chairman John L. Lewis of the C. I. O., informed me that they have under serious consideration the Union Party banking bill, H.R. 1659, which provides for the creation of the Bank of the United States. Congressman Dewey W. Johnson of Minneapolis, who is an ardent supporter of the bill, writes me that he has proposed to Governor Elmer A. Benson that he, the governor, make a public endorsement of this banking legislation which is the monetary reform program of the late Congressman Charles A. Lindbergh, founder of the Farmer-Labor Party.
>
> "Our state and nation are today beset with industrial disorder resulting from the inability of labor's purchasing power to keep pace with the constantly increasing cost of living. This condition will be automatically abolished if the Farmer-Labor Party will devote more attention to the reasons for which it was founded and less to certain mugwump, carpet-bagging leaders who today stutter and stammer when confronted with the task of declaring their position on fundamental economic questions.
>
> "The C. I. O. is supporting a number of bitterly contested strikes throughout the nation today and from my personal acquaintance with John L. Lewis I am inclined to believe the organization is sincerely doing its best to serve the cause of labor. Endorsement of this banking legislation will treat the cause of the disease and not be a mere mustard plaster that leaves the disease intact."

* * *

It is to be hoped that Mr. Lewis will recognize how futile it is for him merely to organize labor to demand a 10 cent or a 50 cent hourly wage raise. Evidences surround us which force the conclusion that a wage raise amounts to little or nothing as long as the regulation of the dollar is left in the hands of a small group of men who own and control the Federal Reserve Banks which issue and control 95 per cent of all the money in the United States of America.

Just last week the motor manufacturers raised the price of all next year's cars on an average of $65. Meanwhile the cost of food, shelter and clothing has been raised throughout the nation. As usual the industrialists, co-operating with the bankers, are bragging of their victories over labor. As usual the bankers are the only gainers. The only losers are the working men who organize for a wage that is not a living annual wage.

* * *

Homer Martin and Richard Frankensteen actually understand this problem SOCIAL JUSTICE is standing by to see what these men will say and will do.

* * *

IF 85 PER CENT of all the members in the C. I. O. and its affiliates are either Catholics or Protestants believing in the divinity of Jesus Christ and in Christ's great social principle of "whatsoever you do unto the least of My little ones you do unto Me," it will not be a difficult matter to teach American labor and agriculture that man is no mere chattel. Every man is a brother of Christ. Every man belongs to the greatest union ever organized insofar as he is a member of the Mystical Body of Christ. Therefore, according to Christ's law, no industrialist or group of men may exploit any other group of men or any individual.

* * *

Thus, not only the Constitution of the United States, not only the natural law, but the law of Christ demands economic emancipation for all who earn their bread by the sweat of their brow. No man who even pretends to Christianity dare deny this.

On that basis of man's high dignity instituted by Christ, can labor unions validly organize, survive and be victorious. On any other basis labor unions, devoid of

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Ill Feeling of Campaign Is Found to Be Obstacle In Organizing Councils

In the present state of formation of Social Justice Councils difficult situations are frequently being encountered by our organizers. However, we will confine comment to just one of these problems in this issue of SOCIAL JUSTICE.

Certain persons who claim to be "100 per cent for social justice" consistently thwart its progress by harboring remnants of ill-feeling which resulted from the political controversies of last November. Whether these remnants are figments of imagination or the result of misunderstandings matters little. The fact is that they do form a real obstacle to the progress of organization activities of Social Justice Councils.

For instance, because certain office seekers indorsed the 16 principles of the National Union for Social Justice (some honestly and some just to win the votes of the members of the National Union) they are still disgruntled because for some reason or other they did not qualify to receive the indorsement of the National Union.

Grouches Obstruct Social Justice

Naturally, because of their political activities these persons are known to a large number, many of whom sympathize sincerely with these local aspirants for public office, in the supposedly unfair treatment they received at the hands of former officers of the National Union for Social Justice.

It is these persons who, while claiming to be proponents of social justice are obstructing its attainment by circulating stories of alleged injustices committed by persons now appointed to manage the affairs of Social Justice Councils in given areas.

It is the desire of Father Coughlin to erase from the minds of members of Social Justice Councils any doubt that may exist as to the integrity of any of the national co-ordinators appointed to date, namely, Walter Baertschi of Ohio, Miles Hayes of Massachusetts and Joseph Robbins of Pennsylvania.

These gentlemen rendered yeomen service in performing the duties allotted to them in the trying days of 1936. When complaints against them or other officers of the National Union were registered at Royal Oak, careful investigation was made to verify the charges made.

Leaders' Records Investigated

In the cases of these men, who have been reappointed to act as National Co-ordinators for Social Justice Councils, all the investigations made last year so strengthened the confidence of the central office at Royal Oak in these gentlemen, that they were the first to be asked to assume the responsibility of co-ordinating the activities of Social Justice Councils.

Walter Baertschi, Miles Hayes and Joseph Robbins have proven themselves to be honest men of unquestionable integrity who are willing to make any sacrifice necessary to hasten the day when social justice will be guaranteed to every man, woman and child by proper legislation written upon our statute books.

Therefore, an appeal is made to those of you who may have been repeating ill-becoming stories, detrimental to social justice and its representatives to lay aside your grievances and to work for the attainment of the principles of social justice just as zealously as are your leaders.

Backing Politicians Has Been Tried

Personal loyalty to any political candidate is not going to put the principles of social justice into effect. In the past politicians, as a whole, have not been so loyal to you or to the cause you espoused. Last November we put our program in the field and gave each candidate an opportunity to manifest his attitude toward a social justice platform. You know the results.

If social justice legislation is to be attained it will be won only through the intelligent co-operation of members of Social Justice Councils. Please do not waste your valuable time and talent in lamenting water that has gone over the dam. The present time is too precious. Use it to instruct your neighbors in the principles of social justice so that when the propitious time will arrive to circulate petitions in your state you will have workers to go from door to door who are capable of explaining our issues to all whom they ask to sign a petition.

It may be well to recall the words uttered by John Quincy Adams when engaged in the battle of defending the right of petition in 1838. At that time he was warned by his friends that he had undertaken more than he could hope to accomplish; that he should bow to the will of his party. To these friends he made the following reply:

"I have made moral principles, and not party or selfish purpose, the standard of my conduct throughout my political life, and there is too little of the stake left that I can lose for me now to turn round and become a mere partisan."

Let this be our reply to those who would persuade us to abide by men or by party rather than by moral principle which alone can guarantee the preservation of the right established by the Constitution for every citizen of the United States.

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The Indicator . . . .

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Christian principle, will deteriorate into class struggle under the banner of "might is right."

* * *

Many industrialists accept this proposition. The majority of industrialists have declined to adopt it. These latter, unless they quickly realize the unsoundness of their present position, cannot survive. The economic system of individualism, or modern capitalism, which they maintain cannot be in conflict with the social principle established by God.

* * *

What have the great industrialists, as a rule, accomplished socially in America during the past five years? They have been content to make preachments on the sacredness of private property while they have refused to admit the sacredness of human labor. They have been content to criticize quickly every effort and have not attempted to establish any Christian reform.

If the C. I. O. has committed public and legal misdemeanors even of a glaring nature, for more than a hundred years worse misdemeanors are traceable to modern capitalism under which industry operates.

If the C. I. O. is dominated in some instances by Communistic minded leaders, industry has been dominated philosophically and practically by pagan leaders.

When industry castigates the C. I. O. it is, at best, the kettle saying that the pot is black.

* * *

In its last analysis labor and agriculture have been suffering as a result of pagan philosophy. A new kind of paganism may alter the type of suffering and change it from the left foot to the right foot. That, however, is not the way out. Our opportunity today is one which can eliminate all the economic suffering if we adopt the great Christian principle cited above.

One Council Calls Off Its Wordy Rows

Sometimes it is discouraging to hear of the factional quarrels which arise in Social Justice Councils. At other times, letters like the following restore faith in human nature.

May all members of Social Justice Councils read this letter, from which I have deleted names and identifications:

Reverend and Dear Father:

Two years ago I was responsible for forming a unit of social justice. The unit grew so rapidly that nine other branches were eventually organized. Suddenly, the sunshine and enthusiasm which characterized our beginning began to fail. At least nine of the organizations fell into debating clubs. These debating clubs gradually became rendezvous for battle royal.

As a result, the peaceful and decent people began to stay away. I was one who could take it. Thus, I attended every meeting. I must confess that I was no mean brickbat thrower. I entertained suspicions. I indulged in rash judgments. I called names and was responsible for spreading presumed scandal about Mr. ————, our state supervisor.

It is hard to teach an old dog new tricks. When Social Justice Councils were reorganized two months ago, the old members of the battle royal club were first to assemble. It is true that their muscles were a bit weak. But before two weeks had elapsed, nearly every one present was swinging from his heels. Of course you know that I am talking about verbal swings. Mr. ———— was again our target. We ganged up against him. Soon we began to gang up against each other. It seemed to be ambition of everybody present to wipe out all competitors.

Your last week's letter opened my eyes. I read it twice to all the members who assembled and told them that I, for one, was all through with mud-slinging and dissensions.

As a result, we promised right then and there to go to confession and pledge that we would cease all bickering, quarreling, dissension, back-biting and selfish individualism.

Last night we had another meeting. More than 200 were present—three times the number that had turned out at our former meetings. They were all initiated into the new gospel of charity. They were all warned that one slip and they were out.

At last it has sunk into my thick head that **we have organized to do the work of social justice under your leadership, independent of politicians and of all others who are the cause of quarrels.**

I feel a lot better for having made this public act of contrition to you. From now on our group will follow you in a Christian manner and we will try to prove that we love one another.

Sincerely yours,

This letter speaks for itself.

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SOCIAL JUSTICE

FATHER COUGHLIN'S WEEKLY REVIEW

Published by The Social Justice Publishing Co.

August 30, 1937 — 162 — Volume IV. No. 2

Copyrighted 1937, by The Social Justice Publishing Company; published weekly; publication and editorial office, Box 150, Royal Oak, Michigan. Subscription price, United States and possessions, $2.00 per year. Unless otherwise directed, we begin all subscriptions with the current issue. Entered as second class matter, March 12, 1937, at the Post Office at Royal Oak, Michigan, under the act of March 3, 1879.

PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

On the Defensive

THE President, completely on the defensive for the first time since the dark days of 1932 when he first took office, declared war on all opponents to his policies when he uttered his masterpiece of hot-headed hate at Roanoke Island, North Carolina.

The pointed references to those who "use the Constitution as a cloak to hide their real designs" demonstrate clearly that the President was uttering the keynote speech in a campaign of reprisals against those who opposed his attempt to dominate the Supreme Court.

The President made no attempt to defend his position as regards the paramount issue of the day, an issue which he himself created on last February 5, and which has aroused the nation as no other issue has done since the Civil war.

The President knows, after several efforts to "sell" the Congress and the nation on his court-fixing scheme, that he is not standing on solid ground when he talks about **the real issue now before the American people.**

So he uses one of the oldest and most uninspired devices of the mere politician. Smear the opposition, play on the prejudiced emotion of the poor, the laborer and the discontented; when you have no defense, attack the enemy with all the ammunition you have—that is the formula; and it is pure, unadulterated demagoguery.

The only reference the President made to the world-moving attacks which have been made against him since February 5 was this bold, unsupported, emotionalized statement.

"I seek no change in the form of American government. Majority rule must be preserved as the safeguard of both liberty and civilization."

The simplest minded American knows that the "must" legislation of the New Era is contrary to and destructive of the American form of government. The rubber-stamp members of the one-party Congress, however, are equally responsible with the President for that evasion of the American form of government.

The simplest minded American also knows that the President's raid on the Supreme Court was antagonistic to the ideals set down by the very founders of the American form of government.

If there was something wrong either with the personnel of or the exercise of power by the Supreme Court, the reform of that court or the change of the balance of power among the independent branches of government, is the sole and inalienable prerogative of the people.

The majority, whose supremacy the President now defends, would not have had a chance to rule on this fundamental, constitutional issue, if the President had not been thwarted by a shocked, overwhelmingly New Deal Senate.

The President's recent actions belie his more recent words.

As we predicted some time ago in these columns, the President, in going to the people at this late date for the affirmation of a **false mandate,** is using the sovereign people **as a last resort.**

That is not in harmony with the American form of government.

A Capitalist Speaks

MR. JAMES H. R. CROMWELL, long associated with the banking houses of Morgan and Drexel, spent the afternoon, sometime ago, in telling the members of the Rotary Club of New York that New Deal measures are "cockeyed theories."

He intimated that the only reason the politicians are "getting away with murder" is that American business has failed to come forward with a program that will put the nation back on a business basis.

He told the big and little business men that he had turned radically against the "blue-printed vistas of Utopia so eloquently portrayed by our regimenters."

Significantly, Cromwell told his audience that **"most of our trouble is to be found in our distribution or money system."**

It is generally known that Cromwell's earlier enthusiasm for the New Deal was based on his belief in the sincerity of the President's promise to make the American dollar a permanently honest measure of value and debt.

Like so many others, Mr. Cromwell has been disillusioned. We still have the same old rigid, gold-standard money system which is now robbing workers of their wage increases and will precipitate the same kind of debt foreclosure which nearly wrecked the people of this country in 1929.

Cromwell said further: "I now contend that if this factor (money system) were intelligently regulated, the less capitalism were interfered with politically, the better it would work."

He said that Sweden gives us "a living demonstration of what capitalism can do when founded upon an intelligently directed and regulated money system."

The New Deal has tried everything under the sun to patch up our economic system except making the dollar honest. There must be a definite reason for that conclusion.

EYES and EARS

By Mark Meechan

DEMAGOGUERY is down at the heel.

The New Deal is bankrupt for scapegoats.

The potentate of the New Order is resorting to the nineteenth century for dyed-in-the-wool enemies of the people.

Probably no man was ever damned as the president damned Lord Macauley last week by way of celebrating the birthday of Virginia Dare.

Macauley has been dead for three quarters of a century and therefore cannot be one of the "enemies of democracy" who are undermining the New Deal.

Why were his old bones dragged out of the grave to be buffeted about after the manner of Don Quixote?

What has Macauley to do with the packing of courts—alliances between government and class-exploiting labor leaders — the bludgeoning of money out of "economic royalists" with unconscious presidential signatures?

Why drag a dead man into burning, living issues?

The answer is that the enemies of the president's type of "democracy—and more democracy" have become so widespread and are now so well represented among the president's own political family that he is at a loss for a whipping-boy at a time when he needs one more sorely than ever.

Macauley, according to the president, was a prototype of "economic royalism." About 75 years ago he predicted that the government of the United States would collapse, because the discontented were given too strong a voice in the affairs of government.

Macauley pointed with pride to the English form of government where "the supreme power is in the hands of a class, numerous indeed, but select, an educated class, a class of property and the maintenance of order."

It was to blazon that single paragraph across the nation that the president dug dead and forgotten Lord Thomas B. Macauley out of his grave.

The president needed a revised conception of the Liberty League so that he would have something at which to throw the brick-bats of hatred.

The Liberty League is a dead menace, and the president knows it.

The Chamber of Commerce no longer frightens "the submerged third of the nation,"

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ON THE TRAIL OF THE MONEY CHANGERS

Nation's Employment Is Limited by Amount of Money in Circulation

By Robert H. Hemphill

Congress is debating a census of the unemployed. The president and some of his cabinet heads contribute to the uncertainty of the situation by pretending that they are as much in the dark as anyone else. This is the height of absurdity. With all the data available in the office of the Secretary of Labor, an accurate estimate of the empoyable unemployed could be made in 24 hours, if indeed it is not done every twenty-four hours.

You can bet your last shirt that the president and Madame Secretary of Labor know very well how many ablebodied workmen are idle. **They also know some other things which would be highly embarrassing if published.**

Melting Pot Isolates Dross

They have a very fair idea of the number of aliens who have slipped through our emigration restrictions and have remained in America illegally and have been maintained at public expense. It is one thing to be generous, but quite another to offer illegal asylum for all those human misfits to whom the ordinary restraints of civilization mean "persecution" and who continuously send up this wail from all corners of the earth.

In every melting pot there is invariably a dross, a substance which declines to amalgamate, not because the compound is unfriendly but because of the inherent inconsistencies and perversities of the substance which declines to blend with the mixture. Such a substance isolates itself, and in the case of human societies this dross invariably complains because of its isolation, which complaint when analyzed is found to be a demand for all the advantages of amalgamation coupled with a refusal to undertake the responsibilities or accept the restraints which such amalgamation requires.

More Money Only Key to Employment

The cure for unemployment is in putting into circulation enough money to permit the exchange of all the goods and services we can produce. **It can be done in no other way.**

If we have in circulation $25-billion, our production, our wage scales and employment are limited to what that amount of money will purchase. If we increase wages and prices for one product, we either decrease the production of that product or some other product, unless the money in circulation is increased to cover the increase in wages and prices.

We can increase or decrease the money in circulation but we cannot alter its speed of circulation without changing our business structure. Our money will make three complete circuits from the consumer through all the intermediate transactions to the producer of raw material in one year. Therefore our ultimate annual purchasing power is three times the total of all the "money" we have in circulation. The reason that I put the word money in quotation marks is that our principal money is bank deposits — checking accounts in our commercial banks.

In 1936 we had in circulation $21-billions in our checking accounts in commercial banks. Our total national income, which is also our total purchasing power, was $63-billion. This was expended for food, clothing, shelter, communication, transportation, education, health, comfort, and amusement in the order of necessity or desirability.

Only $63-billion worth of these goods and services could be purchased by American citizens during 1936. **That is all the money we had to spend.** At the 1936 price level, which was artificially elevated by the haywire economics of the New Deal, this quantity of goods and services was not enough to require our whole producing capacity.

If we had had in circulation $30-billion instead of $21-billion, we would have bought and consumed all the goods and services which could have been produced by everyone in the nation working full time, at a somewhat higher price level and wage level than the actual average for 1936.

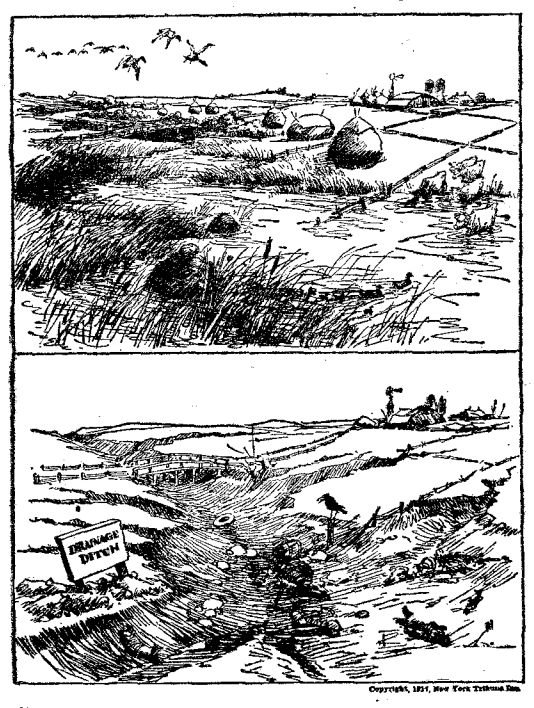
These are the simple fundamentals of economics. These are the things which the money changers have tried desperately and successfully to conceal from the public for a thousand years.

NEWS CARTOONS OF THE WEEK

"You Understand, Don't You, Mr. World?"
—Christian Science Monitor.

"The Salutes of Their Subjects"
—Chicago Tribune.

"Well, Mother, somebody got it!"
—King Features Syndicate.



"How Man Does Improve on Nature!"
—New York Tribune.

Catholic Apathy In C. I. O. Fear Of John Brophy

John Brophy, director of the C. I. O., interviewed by Richard L-G. Deverall, editor of The Christian Front, said:

"When C. I. O. organizes the workers in a factory or a certain industry, **it takes every worker in that factory or industry.** C. I. O. is organizing workers—not Communists, or Catholics, or Republicans. The way to root out Communists is to improve working conditions. After all, **the United States gives to a Communist the right of citizenship. We can do no less.**"

"What about Catholics in the C. I. O.?" questioned Mr. Deverall.

Catholics form a very large portion of the C. I. O.," replied Brophy "In the United Mine Workers of America, our largest single organization, they are by far in the majority in most districts. Catholics lead many of the locals. Many Catholics are at the head of the Mine Workers."

"If the Communists win out in America, it is because Catholics have failed to work vigorously for Social Justice. Lip service is not enough. Communism grows out of bad socio-economic conditions. It is the apathy of Catholic leaders and Catholics that I fear in America today."

We See By the Papers

Class Ascendancy Not for America

From the South Bend (Indiana) Tribune:

In denouncing the C. I. O. union movement Father Charles E. Coughlin, of Royal Oak, Mich., placed most emphasis on the fact that it "stands for class ascendancy." Such division of human beings into classes, he pointed out, is un-Christian. It connotes inherent inferiority of some classes; and that really does conflict with the teachings of Jesus Christ. It also is un-American, for the federal Constitution, as drafted by the founders and amended subsequently, clearly specifies the theory of equality of all decent humans and endeavors to bring it about practically in the United States.

Father Coughlin is to be commended for bringing this to the attention of the following that he has acquired as the "radio priest." In the United States there has been talk of "classes" and, unfortunately, some actions in harmony with the talk. On the whole, however, there is little class distinction in the United States in the sense that it exists in other nations. No American is permanently barred from any "class."

Most of the "economic royalists" in this country have emerged from what would be the "lower class" in other nations. Some who formerly were in the "upper class" have slid downward. A successful official "class ascendancy" movement in the United States would be tragic from the viewpoint of the moral principles expounded by the founder of Christianity and the political principles written into the Constitution of the United States.

Chester H. Rowell, editor of the San Francisco Chronicle, addressing one of the forums at the University of Michigan centennial, told his Ann Arbor audience that "the United States is now half way on the course of dictatorship and **unless Congress makes use of its rightful powers**, the country will inevitably go the way of other nations which have become dictatorships."

"Other nations," he added, "went to dictatorship when there were things to be done and parliaments quarreled and talked instead of doing them. In our case the way is still revocable, but it will not remain so unless we do something about it.

"We once thought that universal education would equip citizens to consider public questions more intelligently," he said. "Now we find that instead it has made them more effective to get from government what they want for themselves.

"Unless your students develop not merely the information to know, but the will to do, as their predecessors have so far not done, this nation in their time will follow the other nations which have already taken the plunge over one or the other precipice."

Seizure of Lansing Just a "Mistake"

Associated Press dispatch from Lansing, Mich.:

"Speaking before 800 union members and sympathizers, many of whom were leaders in the one-day labor holiday that paralyzed Lansing on June 7, Homer Martin, president of the United Automobile Workers, said:

" 'The holiday was a mistake made by a young and growing organization. It was but one of a series of growing pains that every organization must go through.

" 'We all make mistakes, and **we knew long ago that the mistakes would happen.' "**

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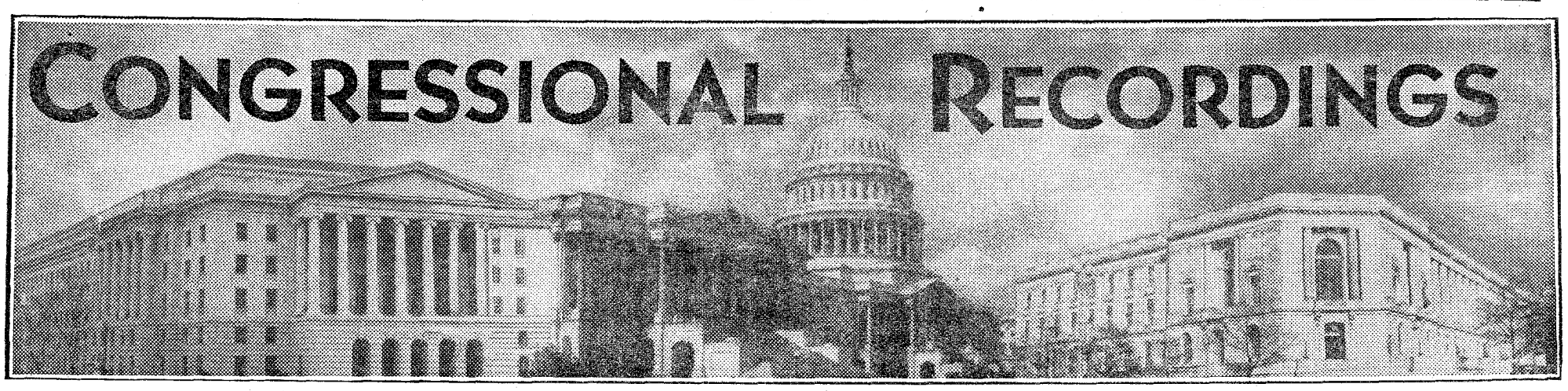


U. S. Is Not Fooled By English Cunning

America Has No Need For New Alliance With Europe; Wants Own Money Returned

By Hon. Joseph B. Shannon
Representative from Missouri

It is reported in the press that Mr. Bernard Baruch is unofficially representing the United States in negotiations for the settlement of the British World War debt, and we are informed that already Lord "Kiljoy" and many others of the titled gentry have wined and dined Mr. Baruch.

Mr. Baruch should realize that what America wants is the return of the billions of gold dollars of her citizens that she let England have to put her on her feet when she was in dire distress. America needs the money. America should have the money. **And by all the rules of decency, the entire debt should be paid.**

Baruch

Just a few days ago, a member of the New York Stock Exchange was expelled, charged with stock manipulation. **Yet England who has been manipulating and conniving all these years to defraud America of a most sacred debt, is still accepted in polite governmental society.**

I say that Barney should take along with him as an aide, a hard-boiled constable, to seize any loose property they may find in England. Or better still, let him call upon Sheriff Peter McGuinness of Kings County, N. Y., and have him summon a **posse comitatus** to seize the Queen Mary the next time it docks at Brooklyn. The ship was built with money rightfully belonging to the American people, and although it is now being used as a public carrier, **it is designed and intended to be used for war purposes whenever the exigency arises.** And the same thing should be done to the Normandie of France, and the ships of **all other dead-beat nations who have run out on their honor debts to America.**

Let us not be led astray by English cunning. The dole to be offered to us at this time is merely to quiet America's hostility toward England's welshing. America should be paid in full; but it should accept **no terms that might possibly lead to a European alliance of any kind.**

America's slogan should be "Not one American boy for European war trenches." And this notwithstanding the sentiments of the Anglo-aping, knees-breeches, gold-garter and monocle-wearing American jackasses who flit back and forth between dear old London and uncultured America. **All dealings with foreign nations should be brought out in the open.**

Let the American people see and hear all that is transpiring behind the government scenes and "they may be safely trusted to hear everything true and false, and to form a correct judgment between them."

Resettlement Must be Made Less Costly

By Hon. Harry Flood Byrd
Senator from Virginia

In the Shenandoah Valley in Virginia, last summer, I saw homesteads built for the use of the mountain people. I assumed of course, that they were costing about $1,500 to $2,000 apiece. I investigated the matter and found they were costing from seven to eight thousand dollars a unit. They were costing that mainly because of the overhead expenses, for foremen, surveyors, supervisors and endless other employes engaged on the work. Just think of it, $8,000 for the construction of a mountain shack—for that is all it is—not even plastered, not even painted.

I said to Mr. Wallace: "I wish you would investigate this extravagance because this project is near my home, and I do not want to see the government's money wasted and squandered under my nose." I said: "Will you be kind enough to investigate it and if my charge is correct, not proceed with the construction of those projects that have not as yet begun?"

Mr. Wallace refused to investigate; **he refused to discontinue the construction of such projects, although I, as Senator from Virginia, was willing to assume full responsibility before my constituents for suspending the expenditure of over a million dollars of Federal money in my own state.** He refused to do it. So that expenditure is merrily going on.

Eight thousand dollars are being expended for the construction of each of these mountain shacks **which will not be occupied by the mountain people,** because everyone familiar with the environment and habits of the people from the mountains, knows they are unwilling to live in close proximity to others.

As yet not one contract has been made for the occupancy of a single one of these 175 houses. When I made the complaint at least one-half of the houses had not been started, and nearly a million dollars could have been salvaged and returned to the United States government if Mr. Wallace had seen fit to make an investigation and then, if my charge was correct, to discontinue the waste of the government money.

These seven homestead projects for the supposed occupancy of mountain people are being built in the form of little villages, although it is contrary to every instinct and every inheritance of these splendid people to live in close proximity to others.

This project will stand as a monument so long as these shacks may last—and they will not last long because of the flimsy construction—**to the gross extravagance and willful waste of public money by the Resettlement Administration.**

National Debt Is Well on Way To $37-Billion

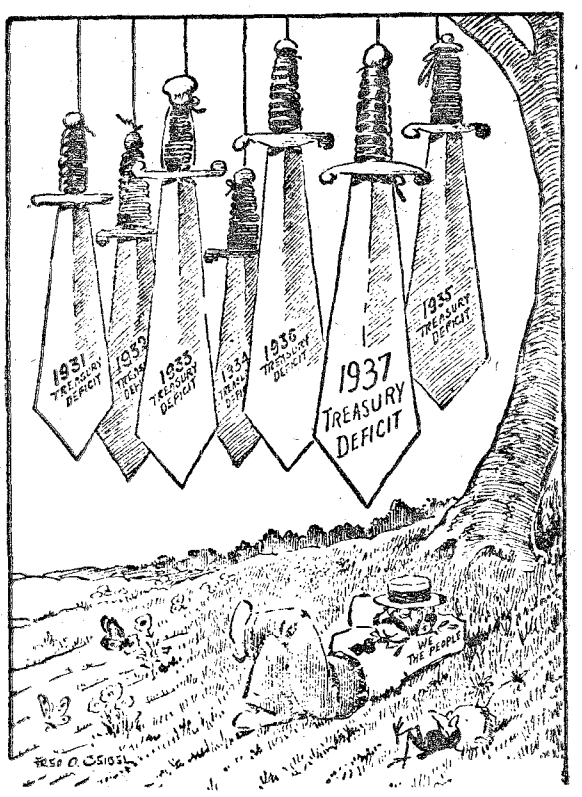
By Hon. Robert F. Rich
Representative from Pennsylvania

The July 28 statement of the United States Treasury places the national debt at $36,707,757,744,94. Since July 28, 1936, we have increased our debt $3,245,000,000. We are in debt $10,111,000,000 more than we were during the wartime high in 1919, and we have increased our debt to over $20,512,000,000 more than it was in 1930.

The statement is made that the depression is over, but you are increasing your average daily expense over $5,000,000 a day more than last year.

Why do we not do something to protect the Federal Treasury? Why does Mr. Morgenthau carry a cash balance in the banks of $2,652,595,255 on July 28. **If he is not worried about the Treasury, why keep this money in the banks, paying interest on it, when the taxpayers are now overburdened by taxes?**

Every law passed carries the expense of administration, bringing more burdens to the overburdened taxpayers.



Does Nobody Give a Hoot?
—Seigel in Richmond Times-Dispatch.

Clear Slums, But Don't Rob Home-Owners to Do It

By Hon. Arthur H. Vandenberg
Senator from Michigan

Under the census figure reported in 1930, 51.6 per cent of all the urban home owners in America—those who have toiled and saved to create their homes for themselves, those who represent the great, self-supporting middle class, the great backbone of the American community, those who by no stretch of the imagination, can be called slum dwellers—live in homes that cost $5,000 or less.

Out on the countryside, out of 3,600,000 farmers who own their own homes, 3,300,000 of them live in homes that cost less than $5,000.

Altogether 73 per cent of the average American home owners live in homes that cost less than the amount we are proposing to expend from funds raised by taxation to create homes for those who are removed from the slums.

Are you going to ask me, in the name of slum clearance—an utterly worthy cause, one that I want to support and sustain—ask me to say to 80 per cent of the home owners of America: "We insist upon taxing you to build homes for slum families that cost more than the homes in which you yourselves live? **We require you to pay to provide others with better homes than your own, and then we shall tax you, in addition to contribute subsidy rental to these families."**

Can I justify myself in returning to my constituency of home owners and saying to them that I have voted a tax upon them to provide slum clearance on the basis of homes which are better than those in which they themselves live?

Tells How The Money Went

By Hon. Charles L. Gifford
Representative from Massachusetts

Back in 1933 we voted for $3,300,000,000 for public works. The funds remained idle nearly up to Christmas as they could not devise ways to spend the money. Mr. Hopkins was told: "Get the money into the hands of the people before Christmas." So they sent to even the wealthiest towns in the country that did not need money. All over the United States men were reported to be getting checks and wondering why they were being received.

I wrote Mr. Hopkins two polite letters. **He is the only head of a department who in my 16 years experience here, has refused to answer my letters.** I simply asked him why he gave money to the wealthy towns that did not need it, whose taxes were low, and whose poor people were being looked after, but I received no answer.

Wanted Bill To Curtail Speech

By Hon. Robert F. Rich
Representative from Pennsylvania

When House Joint Resolution 117 came up authorizing the President to spend $4,880,000,000, it had section 6 in it, which was to the effect that **"anyone criticizing this bill will be imprisoned for two years or be fined $5,000."** I came to the conclusion when the President of the United States sent that bill up to the floor of the House, that he was not fit to administer anything.

New Principles In Taxation?

By Hon. Robert M. La Follette
Senator from Wisconsin

We should tax **during a period of economic crisis, as heavily as possible** in order that we may not pass on to the future taxpayers and to future generations any greater portion of the load than is necessary.

I have fought to increase taxes in 1934, 1935, and 1936, just as I am doing now in order that we may require those who are large beneficiaries of the government's spending program to help carry some of the burden of it.

I have never been able to see the justice of calling upon those taxpayers in the brackets above $50,000 for an increase in taxes and at the same time not asking those who are enjoying net taxable incomes of $50,000 a year or less, to come forward and make their proportionate contribution to the expenditures which have been so largely responsible for their improved economic conditions and their larger incomes.

"The free and powerful press! How free the press is we may determine, of course, by reading its articles during the last campaign, and how powerful it is we may determine by reading the election returns."—**Hon. Sherman Minton, Senator from Indiana.**

"Illegal voting would be nothing new to the citizens of Michigan, for they recall what happened in an election held there not so long ago."—**Hon. Clare Hoffman, Representative from Michigan.**

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The Pope Speaks Officially...

In order that the encyclical "On the Reconstruction of the Social Order" by Pope Pius XI might be more readily comprehended by the lay reader, SOCIAL JUSTICE is reproducing this famous letter ("Quadragesimo Anno") in question and answer form. The questions are stated by Father Coughlin and the answers in every case are directly quoted words of His Holiness.

CHAPTER IX

The First Necessary Step

1. Is social justice, while opposed to Communism and extreme socialism, hostile to Communists and Socialists?

We have no wish to drive away our children who have been so unhappily deceived and who are wandering so far from the paths of truth and salvation. On the contrary, we invite them with all possible solicitude to return to the maternal bosom of the Church.

2. Before the program of social justice can be effected, is there something else to be adopted as a preliminary?

Yes. If we examine matters diligently, we shall perceive clearly that this longed for social reconstruction must be preceded by a profound renewal of the Christian spirit from which multitudes engaged in industries of every country have unhappily departed.

3. If we merely content ourselves to establish labor unions, to secure the annual wage, the alleviation of taxation, the deconcentration of wealth and its control, together with all other economic reforms, will that not be sufficient?

No. All our endeavors will be futile and our social edifice will be built, not upon a rock, but upon shifting sand (if social reconstruction is not preceded by a profound renewal of the Christian spirit). We use the words of Our Predecessor: **"If society is to be healed now, in no way can it be healed save by a return to Christian life and Christian institutions."**

CHAPTER X

The Indictment of Modern Business

1. Would Your Holiness go on record as stating that there is a relation existing between social injustice, as resulting from modern business, and the loss of souls?

It may be said with all truth that nowadays the conditions of social and economic life are such that vast multitudes of men can only with great difficulty pay attention to that one thing necessary, namely, their eternal salvation.

2. What is the chief cause why so many men entertain immoral social and economic principles, and what is the cause why so many working men abandon their Christian Faith?

It is the disorderly affection of the soul. The marvelous harmony of man's faculties has been so deranged that now he is easily led astray by low desires and strongly tempted to prefer the transient goods of this world to the lasting good of Heaven. There is evident an unquenchable thirst for riches and temporal possessions which at all times has impelled men to break the law of God and trample on the rights of their neighbors.

3. But does not the condition of the economic world today have something to do with the loss of souls? Will Your Holiness name these causes specifically?

Yes. The condition of the economic world today lays more snares than ever for human frailty. (1) The uncertainty of economic conditions and of the whole economic regime demands the keenest and most unceasing straining of energy on the part of those engaged therein. (2) As a result, some persons have become so hardened against the stings of conscience as to assert that all means are good which enable them to increase their profits and to safeguard their wealth against the sudden changes of fortune. (3) Moreover [under our system of open markets and modern capitalism], many are led to interest themselves in trade and exchange, their one aim being to make clear profits with the least labor. (4) The unchecked speculation [on the stock exchanges] prices are raised and lowered out of mere greed for gain, nullifying thereby the most prudent calculations of manufacturers.

5. The laws and regulations which have been passed for corporations with their divided responsibility and limited liability have given occasion to abominable abuses. (6) [The legal set-up of corporations is such that] their greatly weakened accountability makes little impression upon the conscience. Thus, the worst injustices and frauds take place beneath the cloak of a corporation name or of a corporation firm. (7) The boards of directors [of corporations] proceed in unconscionable methods even to the violation of their trust in regard to the funds which they administer.

A tenth and final instalment of this important series of questions and answers on the great encyclical of Pius XI will be concluded in SOCIAL JUSTICE next week. It is to be hoped that the entire series can be compiled in pamphlet form in order to be even more readily accesible to the laity than its publication here has been.

8. Finally there must be mentioned [besides the 7 evil causes listed above] the well-calculated speculation of certain men who, not interested in producing real economic needs or services, are engaged in appealing to the lowest human passions, which passions they arouse in order to turn their satisfaction into gain.

4. Why did not the civil authority wipe out the eight abuses which Your Holiness listed above?

Civil authority could have dispelled, or perhaps altered, these enormous evils. But insistence on the moral law was too often lamentably wanting. For, at the time when the new social order was beginning, the doctrines of rationalism had already taken firm hold on large numbers of men, and economic signs alien to the true moral law had soon arisen. Thus it followed that free reign was given to human avarice.

5. When the enforcement of the moral law was neglected, or when laws were passed to protect human avarice, what was the result?

A greater number of men than ever before, solely concerned with adding to their wealth by any means whatsoever, sought their own selfish interests above all things. They had no scruple in committing the gravest injustices against others.

Those [who took advantage of such unjust laws] and who first entered upon the broad way which leads to destruction, easily found many imitators of their iniquity because of their manifest success, their extravagant display of wealth, their derision of the objections made by men of delicate conscience, and their crushing out of their more cautious competitors.

6. This is a strong indictment of modern business and its leaders. What effect did this immoral business leadership have upon working men?

With the leaders of business abandoning the true path, it is not surprising that in every country multitudes of working men sank in the same morass. Many employers treated their working men as mere tools without any concern for the welfare of their souls — yes, without the slightest thought of higher interests.

The mind shudders when we consider the frightful perils to which the morals of workers, of boys and young men particularly, and the virtue of girls and women are exposed in modern factories. The mind shudders when we recall how the present economic regime (modern capitalism) and above all the disgraceful housing conditions prove obstacles to the family tie and family life. The mind shudders when we remember the insuperable difficulties placed in the way of the proper observance of holy days.

How universally has the true Christian spirit become impaired; a spirit which formerly produced such lofty sentiments even in uncultured and illiterate men! In its stead, man's one solicitude is to obtain his daily bread in any way he can. And so bodily labor, which was decreed by Providence for the good of man's body and soul even after original sin, has everywhere been changed into an instrument of strange perversion; for dead matter leaves the factory ennobled and transformed, where men are corrupted and degraded.

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THE 175 LARGEST NONBANKING CORPORATIONS IN THE UNITED STATES

	Gross assets on or about Dec. 31, 1929 (millions)	Gross assets on or about Dec. 31, 1936 (millions)
Amusements		
Eastman Kodak Co.	163.4	168.3
Loew's, Inc.	124.2	129.2
Paramount Publix Corp.	236.7	118.9
Radio Corp. of America	158.6	102.5
Warner Bros. Pictures, Inc.	167.1	168.5
Subtotal	850.0	687.4
Chemicals		
Petroleum		
Atlantic Refining Co.	167.2	163.0
Continental Oil Co.	198.0	91.7
Gulf Oil Corp.	430.9	430.2
Ohio Oil Co.	110.6	139.7
Phillips Petroleum Co.	145.3	174.4
Pure Oil Co.	215.4	157.2
Richfield Oil Co of California	131.9	52.6
Shell Union Oil Corp.	486.4	358.0
Standard Oil Co. of California	604.7	579.5
Standard Oil Co. of Indiana	*825.0	693.5
Standard Oil Co. of New Jersey	1,767.3	1,894.9
Socony Vacuum Oil Co.	x914.1	789.7
Texas Corp.	609.8	473.7
Tide Water Associates Oil Co.	251.4	182.8
Union Oil Associates	*240.0	151.6
Other Chemicals, Soap, Etc.		
Allied Chemical & Dye Corp.	277.2	217.5
Corn Products Refining Co.	126.7	50.3
Du Pont de Nemours & Co.	541.9	666.7
Koppers Co.	143.8	177.3
Procter & Gamble Co.	109.4	127.0
Union Carbide & Carbon Corp.	306.6	336.5
Subtotal	8,603.6	7,907.8
Coal		
Consolidation Coal	94.0	34.8
Glen Alden Coal Co.	*300.0	151.3
Philadelphia & Reading Coal & Iron Corp.	129.0	92.9
Pittsburgh Coal Co.	171.5	142.2
Subtotal	694.5	421.2
Food Products, Drugs, Tobacco, Etc.		
Dairy Products		
Borden Co.	174.0	120.1
National Dairy Products Corp.	179.9	192.0
Fruit		
United Fruit Co.	226.0	184.9
Meat		
Armour & Co.	452.3	317.1
Swift & Co.	351.2	321.3
Wilson & Co.	98.0	79.1
Sugar		
American Sugar Refining Co.	157.1	117.6
Tobacco		
American Tobacco Co.	265.4	271.6
Liggett & Myers Tobacco Co.	150.3	170.5
Lorillard (P.) Co.	110.0	58.9
Reynolds Tobacco Co.	163.1	153.9
Others		
National Biscuit Co.	133.2	124.5
Subtotal	2,460.5	2,111.5
Glass		
Pittsburgh Plate Glass Co.	101.6	109.6
Leather		
International Shoe Co.	111.3	83.1
Lumber		
Long-Bell Lumber Corp.	116.1	67.5
Mercantile		
Great Atlantic & Pacific Tea Co.	132.7	184.2
Kresge Co.	109.5	118.5
Macy, R. H., & Co.	*97.0	90.5
Marshall Field & Co.	142.7	97.0
Montgomery Ward & Co.	187.5	168.6
Sears, Roebuck & Co.	251.8	234.0
Woolworth & Co.	165.4	192.2
Subtotal	1,086.6	1,085.0
Metal Products		
Automobiles		
Chrysler Corp.	209.7	193.5
Ford Motor Co.	761.0	681.5
General Motors Corp.	*1,400.0	1,414.0
Studebaker Corp.	134.2	30.2
Electrical Equipment		
General Electric Co.	491.6	398.1
Westinghouse Electric & Mfg. Co.	253.9	194.4
Machinery		
Deere & Co.	84.7	79.6
International Harvester Co.	384.0	365.2
United Shoe Machinery Corp.	94.1	96.3
Others		
American Can Co.	191.3	209.0
American Car & Foundry Co.	119.5	95.1
American Locomotive Co.	106.2	54.2
American Radiator & Standard Sanitary Corp.	199.4	159.1
Baldwin Locomotive Works	98.8	69.6
Crane Co.	115.9	95.1
Subtotal	4,644.3	4,134.9
Metals		
Aluminum		
Aluminum Co. of America	234.7	222.9
Copper and Lead		
American Smelting & Refining Co.	241.0	173.7
Anaconda Copper Mining Co.	680.6	581.5
Kennecott Copper Corp.	387.8	323.5
National Lead Co.	108.4	104.0
Phelps Dodge Corp.	124.7	185.1
Iron and Steel		
American Rolling Mill Co.	104.3	42.7
Bethlehem Steel Corp.	801.6	673.0
Cliffs Corp.	98.0	102.2
Crucible Steel Co. of America	124.3	109.1
Inland Steel Co.	103.2	118.3
Jones & Laughlin Steel Corp.	222.0	184.9
National Steel Corp.	120.8	180.5
Republic Iron & Steel Co.	331.7	297.4
United States Steel Corp.	2,286.1	1,822.4
Wheeling Steel Corp.	127.9	113.0
Youngstown Sheet & Tube Co.	235.7	207.4
Subtotal	6,282.8	5,441.6
Paper		
Crown Zellerbach Corp.	117.7	101.3
International Paper & Power Co.	p767.1	828.2
Minnesota & Ontario Paper Co.	90.3	78.2
Subtotal	975.1	1,007.7

* Estimated. x Combined assets of predecessors. p Includes utility properties.

People Powerless : Wealth of Wc

Increase in Per-Capita Wealth Enjoyed Most by Few Large Corporations

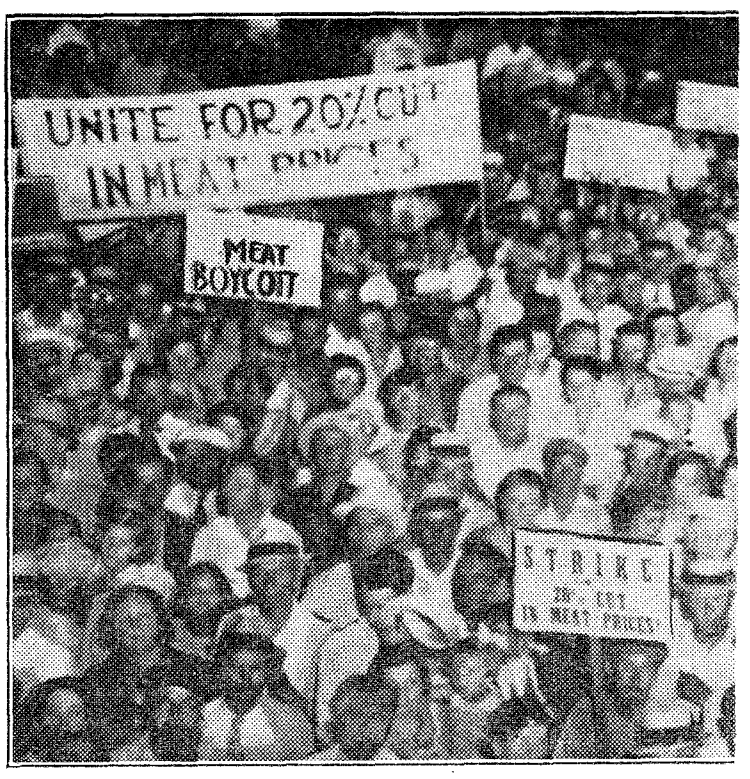
Scenes like the l costs take on a new sig vestigations show how control of retail distribu and pay dearly."

WEALTH consists of the things people use to sustain life or to produce the things which sustain life. Its common forms are food, shelter, clothing — and all things necessary for living.

A nation's progress and a nation's happiness depend upon the amount of that nation's wealth and its distribution. A country whose moderate resources are shared by the great majority of its people is, practically, more prosperous than one with great wealth that is controlled by a few while its masses are in need.

Almost 40 per cent of our national wealth is owned by non-financial corporations; the remainder is represented by the wealth owned by financial corporations and by agricultural land and improvements, residential real estate, personal property, including automobiles, and the large volume of government property.

A few men, controlling a few banks, control a majority of the corporate wealth of the nation, if not a majority of the entire wealth of the nation. This means that these few men with their far-reaching control, are the ultimate owners of the jobs and incomes of Mr. and Mrs. America. The day of individual advancement is being deliberately brought to a close. The lad whose father started as a boy in the mill and was promoted until he became general manager, has no such opportunity. The mill is gone now, as also are most of the other individual businesses of Hometown.



Future Opportunity For Youth Narrows

As more and more wealth is accumulated and controlled by fewer and fewer individuals, industry is becoming better equipped to produce sufficient for all while the people are daily becoming less to avail themselves of the a tages of this industrial progress broad road of opportunity c long remain open to the dese young men and women of country, **if monopoly and co tration of wealth and power con as they have in the past.**

Independent businessmen ar dependent bankers have a co cause. Unless they unite to p their own interest, which in fight against monopoly is in t terest of the general welfare people, the day will come whe deserving young people of thi tion will be compelled, in orc obtain positions, to seek such ployment only from our few trial leaders and the bank tives in the East.

The national wealth of the States of America is estima approximately $320-billion, ar population of this country million as at the end of 1935. is equivalent to $2,500 in weal person. This vast amount of of the people of the United whose economic existence is a by its ownership and contro made this subject one of inc importance to every individua

Concentration Of Wealth Gradual

The following table shows t crease that has taken place population, national wealth per-capita wealth since 1900:

Year	Population	National Wealth (Billions)	Pe
1900	76,129,000	$ 88.5	
1904	82,601,000	107.1	
1912	95,097,000	186.3	
1922	109,872,000	320.	
1929	121,526,000	385.	
1935	127,521,000	320.	

The concentration of weal few corporations is a silent Generally little public atten focused on the gradual acquis one corporation by another, objectives that individuals ma in building and expanding the jor corporations are not

"A few men controlling a few banks control a majority of the corporate wealth of the nation, if not a majority of its entire wealth." This picture by Ewing Galloway. Others on this page by Wide World.

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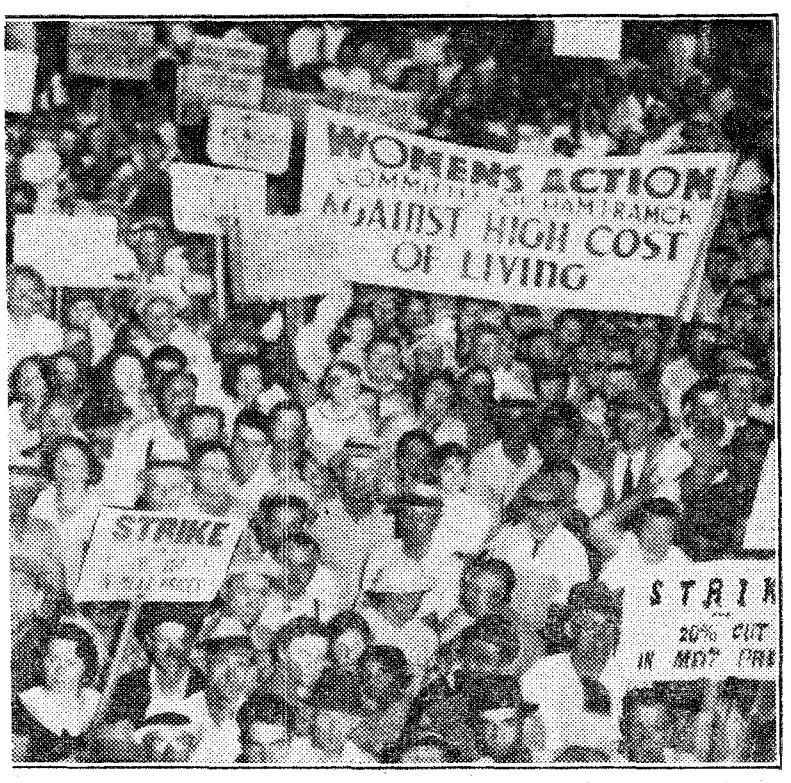
a Few Control
d's Richest Nation

Interlocking Directorates Of 175 Firms and 24 Big Banks Control America

l strike against high food ice when Congressional in- men can conspire to obtain nd to "make the public pay



ntil the results have been accom- lished. It is the essence of the more lent sort that they are not recog- ized until they are far advanced. his was the case with the so-called ıdustrial revolution, and is the case ith the corporate revolution rough which we are at present assing.

Frequently in these major cor- orations ownership is so widely attered that working control can maintained with but a minority terest. Separation of ownership d control becomes almost com- ete, and not even a substantial inority interest exists, as in the se of the American Telephone & elegraph Co. In the case of both inority control and management ntrol the separation of ownership om control has taken place, and large body of security holders has en created who exercise virtually control over the wealth which ey or the predecessors in interest ve contributed to the enterprise.

ontrol Centralized, wnership Scattered

The development of the corporate stem is progressive as its features come more marked and as new eas come, one by one, under its ay. Economic power in terms of ntrol over physical assets is tend- more and more to concentrate the hands of a few corporate nagements. Ownership is becom- more dispersed, but the con- l and power formerly joined to nership, is becoming increasingly ncentrated.

The table in the first column lists 175 largest corporations and ir assets of January 1, 1930, and December 31, 1935.

Concerning the concentration of alth in non-banking corporations, following facts must be recog- ed:

1. There exists a decided con- entration of non-financial cor- orate wealth in the major orporations.

2. The assets of the 175 com- panies out of a total of 300,000 **represent approximately one- fifth of the national wealth, and one-half of the non-financial corporate wealth.**

3. The control exercised by the 175 corporations extends beyond the assets owned due to the number of smaller corporations who buy from and sell to them.

4. The trend continues toward further concentration in this field.

5. The control of this wealth is in the hands of less than 2,000 active directors and officers.

6. The assets of these 175 corporations extend into every state in the union and directly affect the economic welfare of every section of this country.

Banking Control Is Still Tighter

As a very decided concentration of wealth exists with 175 corporations out of a total of 300,000 controlling more than half of our non-financial corporate wealth, so is there a decided concentration of United States banking resources in the larger commercial banks. A table in the last column lists the 24 largest banks, each reporting excesses of $350-million, and their assets as of January 1, 1930 and December 31, 1936.

A study of the concentration of banking resources brings out the following facts which must be recognized:

1. Twenty-four leading banks control approximately one-third of all banking resources.

2. The control of the 24 banks is in the hands of 484 directors, many of whom are not normally active in the affairs of the banks.

3. There is a community of interest between certain groups of the leading banks, as evidenced by interlocking directorates. In the period from 1930 to 1936 there was an increased concentration of banking resources in the major banks.

4. In the period from 1930 to

(Continued on Page 10)

"Unless the concentration of the control of our wealth by a few men is interrupted, the day will come when the young people of the nation all will be compelled, in order to obtain positions, to seek employment only from the few industrial leaders and bank executives in the east . . ."

THE 175 LARGEST NONBANKING CORPORATIONS IN THE UNITED STATES
(Continued)

	Gross assets on or about Dec. 31, 1929 (millions)	Gross assets on or about Dec. 31, 1935 (millions)
Public Utilities		
Communications		
American Telephone & Telegraph	4,228.4	4,901.5
International Telephone & Telegraph Corp.	535.2	513.7
Western Union Telegraph Co.	359.2	362.7
Electricity and Gas		
American Water Works & Electric Co.	408.3	434.6
Associated Gas & Electric Co.	900.4	1,016.7
New England Gas & Electric Association	108.7	108.5
Cities Service Co.	989.6	1,250.3
Consolidated Edison Co. of New York	1,171.5	1,376.9
Consolidated Gas, Elec. Light & Power Co. of Baltimore	135.9	160.1
Detroit Edison Co.	296.1	327.1
Duke Power Co.	212.1	213.5
Edison Electric Illuminating Co. of Boston	156.3	181.8
Electric Bond & Share Co.	1,002.6	551.9
American Gas & Electric Co.	431.0	467.6
American Power & Light Co.	754.1	795.9
Electric Power & Light Corp.	v839.7	683.8
National Power & Light Co.	v575.3	586.5
Commonwealth Edison Co.	*440.0	448.3
Peoples Gas, Light & Coke Co.	192.1	211.3
Public Service Co. of Northern Illinois	190.0	226.0
Koppers Co. Group:		
Brooklyn Union Gas Co	123.7	121.8
Eastern Gas & Fuel Association	167.1	227.9
Lone Star Gas Corp.	127.7	158.5
North American Co.	908.7	891.3
North American Light & Power Co.	320.1	328.7
Pacific Gas & Electric Co.	454.0	725.8
Pacific Lighting Corp.	240.5	261.0
Southern California Edison Co., Ltd.	340.6	393.8
Stone & Webster, Inc.	474.3	397.5
United Corp. Group:		
Columbia Gas & Electric Corp.	671.2	703.9
Commonwealth & Southern Corp.	1,133.7	1,173.8
Niagara Hudson Power Corp.	756.9	648.0
Public Service Corp. of New Jersey	634.6	694.0
United Gas Improvement Co.	802.0	802.0
United Light & Power Co.	557.3	597.3
Utilities Power & Light Corp.	401.3	404.7
Subtotal	22,040.7	23,368.7
Railroads		
Alleghany Corp.:		
Erie Railroad Co.	601.3	620.6
Kansas City Southern Railway Co.	149.4	137.9
New York, Chicago & St. Louis Railroad Co.	291.1	286.9
Wheeling & Lake Erie Railway Co.	109.8	105.1
Atchison, Topeka & Santa Fe Railway	1,135.4	1,272.2
Atlantic Coast Line Railroad Co.	390.4	368.2
Baltimore & Ohio Railroad Co.	1,040.8	1,199.6
Chicago & Alton Railroad Co.	172.4	85.1
Western Maryland Railway Co.	175.1	171.7
Chicago & Eastern Illinois Railway Co.	101.5	83.8
Chicago Great Western Railroad Co.	149.9	145.7
Chicago, Milwaukee, St. Paul & Pacific Railroad Co.	787.0	741.0
Chicago & North Western Railway Co.	741.6	672.2
Chicago, Rock Island & Pacific Railway Co.	512.0	529.5
Chicago Union Station Co.	96.8	88.9
Delaware & Hudson Co.	110.7	113.4
Delaware, Lackawanna & Western Railroad Co.	223.6	215.3
Denver & Rio Grande Western Railroad Co.	227.5	243.1
Florida West Coast Railway Co.	130.6	133.4
Great Northern Railway Co.	852.1	856.6
Northern Pacific Railway Co.	813.9	834.9
Chicago, Burlington & Quincy Railroad Co.	712.0	667.8
Spokane, Portland & Seattle Railway	172.7	156.1
Missouri-Kansas-Texas Railroad Co.	320.2	261.3
New York Central Railroad Co.	2,250.0	2,249.4
New York, New Haven & Hartford Railroad Co.	600.7	587.9
Boston & Maine Railroad Co.	278.8	320.0
Pennsylvania Railroad Co.	2,600.0	2,724.3
Lehigh Valley Railroad Co.	251.2	243.1
Norfolk & Western Railway Co.	542.3	529.7
Wabash Railway Co.	350.3	344.3
St. Louis-San Francisco Railway Co.	473.8	462.1
St. Louis Southwestern Railway Co.	146.7	139.4
Seaboard Air Line Railway Co.	295.8	291.9
Southern Pacific Co.	1,175.9	1,211.7
Union Pacific Railroad Co.	1,208.0	1,172.6
Southern Railway Co.	680.2	624.2
Illinois Central Railroad Co.	722.3	716.6
Virginian Railway Co.	160.5	165.4
Western Pacific Railroad Corp.	171.8	166.9
Subtotal	21,926.1	21,939.8
Real Estate		
U. S. Realty & Improvement Co.	128.4	29.4
Rubber		
B. F. Goodrich Co.	163.6	124.0
Firestone Tire & Rubber Co.	161.6	139.2
Goodyear Tire & Rubber Co.	243.2	192.3
United States Rubber Co.	307.8	159.3
Subtotal	876.2	614.8
Textiles		
American Woolen Co.	113.9	71.0
Traction		
Boston Elevated Railway Co.	121.1	127.5
Brooklyn & Manhattan Transit Co.	288.5	335.8
Chicago Railways Co.	118.9	123.9
Hudson Manhattan Railroad Co.	139.7	135.5
Interborough Rapid Transit Co.	458.6	557.0
Philadelphia Rapid Transit Co.	105.7	98.2
Third Avenue Railway Co.	95.1	87.4
Subtotal	1,327.6	1,465.3
Transportation		
Pullman, Inc.	281.5	276.2
TOTAL	72,620.8	70,822.5

* Estimated. x Combined assets of predecessors. p Includes utility properties. v 1936.

LIST OF BANKS IN THE UNITED STATES WITH RESOURCES IN EXCESS OF $350,000,000 IN THE ORDER OF THEIR SIZE AT DECEMBER 31, 1936

	Officers	Directors	Resources Dec. 31, 1929 (Millions)	Resources Dec. 31, 1936 (Millions)
1. Chase National Bank (N. Y.)	63	25	1,714,829	2,562,182
2. Guaranty Trust Co. (N. Y.)	42	23	2,017,119	2,086,979
3. National City Bank (N. Y.)	36	19	2,206,241	1,904,800
4. Bank of America National Trust & Savings Association	20	25	1,055,113	1,430,337
5. Continental Illinois National Bank & Trust Co.	29	21	1,176,603	1,232,513
6. Bankers Trust Co. (N. Y.)	34	20	817,977	1,079,173
7. First National Bank of Chicago	45	25	365,559	991,280
8. Central Hanover Bank & Trust Co. (N. Y.)	34	23	769,259	979,309
9. First National Bank of Boston	28	25	703,347	756,202
10. Manufacturers Trust Co. (N. Y.)	29	25	508,226	748,564
11. Irving Trust Co. (N. Y.)	27	23	865,980	728,677
12. Chemical Bank & Trust Co. (N. Y.)	32	20	423,172	686,676
13. Security First National Bank (L. A.)	54	25	610,683	649,173
14. First National Bank of the City of New York	9	10	568,425	648,019
15. Bank of the Manhattan Co.	30	14	506,939	570,538
16. J. P. Morgan & Co., Drexel & Co.	*19	19	(x)	550,338
17. Philadelphia National Bank	13	24	358,423	497,392
18. New York Trust Co.	15	19	401,665	444,556
19. National Bank of Detroit	15	14	(p)	442,803
20. Union Trust Co. of Pittsburgh	10	14	217,786	386,913
21. Mellon National Bank (Pittsburgh)	7	23	192,501	380,895
22. Cleveland Trust Co.	38	25	316,508	380,070
23. Corn Exchange Bank Trust Co. (N. Y.)	16	15	298,483	360,262
24. Northern Trust Co. (Chicago)	33	8	69,395	355,701
TOTAL	678	484	16,164,233	20,853,352
Comparable figures 21 banks	..	..	v16,094,838	19,504,510
Total resources, all banks	..	..	72,038,566	67,525,335
Per cent of total resources in 21 large banks	..	..	22.34	28.88

* Partners. x No report made public. p Organized March 24, 1933. v Eliminating J. P. Morgan & Co., National Bank of Detroit, and Northern Trust Co., Chicago.

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People Are Powerless as Few Control Wealth

(Continued from Page 9)

1936 there was an increased concentration of banking resources in the major banks.

5. During the period from 1921 to 1936, the total number of commercial banks decreased from 30,848 to 15,988, while resources increased from $49,721,000 to $67,525,000. The resources of the average bank increased from $1,612,000 to $4,223,000 during this period.

Interlocking Control Is Concentrated

A study of the interlocking control of the wealth of the United States between banks and nonbanking corporations, results in the following conclusions:

1. There exists a definite community of interest and interlocking control between banks and industry.

2. Of a total of 1,543 directorships in the 100 major corporations, there are 403 connections with the 24 banks through interlocking directorates.

3. Of a total of 488 directorships in the 24 leading banks, there are 403 connections with the 100 corporations through the interlocking directorates.

4. Of the 403 interlocking directorships between the 100 corporations and 24 banks, 230 are held by directors of 7 banks, and 103 by directors of 2 banks.

5. **The 100 major corporate units having interlocking directorates represent concentration of wealth in their respective fields.**

6. Interlocking control is represented by the men holding the 403 interlocking directorates and the potential control of a large part of our national wealth.

About two years ago a Congressional investigating committee disclosed shocking and astounding information to the effect that **a few men had conspired among themselves to obtain control of retail distribution in this nation. Eventually they expected to make the public pay and pay dearly**; their methods and policies would line their own pockets with gold. This committee discovered and reported to Congress that certain laws would have to be passed or the independent merchant in this country could no longer survive.

As the printing press freed people from bondage and promoted culture and civilization, so our modern methods of communication permit a wide and quick dissemination of information that will free us from the cruel, cold, heartless grip of the monopolist in any line of business.

Patman Maps Remedial Steps

Definite steps in the direction of depriving the few of the unfair privileges which they enjoy and permitting more people to enjoy privileges that should be available to all, might include the following suggested by United States Representative Wright Patman from Texas:

1. The stock in the Federal Reserve Banks should be owned by the government; branch or chain banks prohibited; permit local citizens to purchase units of such chain and branch banks as are now in use; permit the government's credit to be used by all banks **for the benefit of all people instead of using it as it is now used, principally by a few large banks for the benefit of a few people.**

2. Cause all government securities to be purchased by the Federal Reserve Banks, and prevent inflation by raising the reserve requirements of the banks at the same time such securities are purchased. This cannot be done quickly, but it can be done gradually and the taxpayers saved almost a billion dollars a year in interest which they are now paying.

3. Encourage local business, locally owned and owner operated, and discourage absentee ownership of local business.

4. **Under no circumstances permit the credit of the nation to be farmed out to private corporations as it is today.**

5. Limit salaries and bonuses of executives of large corporations.

6. Break up monopolies, encourage fair prices and good wages, and preserve competition.

7. Every law passed by Congress or state legislature should recognize that **there are approximately 36 million people dependent upon production on the farms, in the orchards, in the mines, on the ranches, and in the forests for a livelihood**; that **they must receive fair prices** or their purchasing power will be destroyed, which will cause other classes and other groups to suffer; that 11 million people are dependent upon transportation and communication for a livelihood, and **they are entitled to a fair profit**; that millions of people are dependent upon the professions for a livelihood, and they are entitled to a fair return for services rendered; that prosperity cannot commence from the top—it must commence from the bottom. If the masses are prosperous, the nation is prosperous. You cannot fatten the herd by feeding only the bull.

8. **Tax-exempt, interest-bearing bonds should be eliminated.** They represent the principal means of tax avoidance. They cause the rich to be richer and the poor to be poorer. They permit the wealthy to escape taxation entirely and cause the poor to pay taxes upon what they owe and upon what they consume in order to support the different federal, state, and other governments.

9. We should know who our creditors are. Who owns our national debt? Who is escaping taxation in this way? Is it not right for the government, the same as an individual, to know whom it owes? It is reasonable to request that this information be known. Its disclosure will be helpful in framing tax-avoidance laws and for other purposes.

What Congress Failed to Do

(Continued from Page 1)

based on a principle of social justice, to the floor.

Neglected to take action on Thomas Monetary Authority bill, also embodying a principle of social justice, when President Roosevelt opposed it. Bill is only measure so far proposed which would really stabilize value of the dollar.

Under White House pressure, refused to consider any social justice monetary legislation, in House or Senate, aimed at restoring to Congress its constitutional right to coin money and regulate its value.

Declined to approve any major legislation affecting labor or agriculture, with exception of Bituminous Coal act.

What Congress Accomplished in 75th Term

(Continued from Page 1)

proclaim state of war on foreign soil and to determine what articles of war may be shipped on American vessels and what articles must be called for and taken away on foreign ships. This act is dangerous because it is based on the false principle of "freedom of the seas," a chimera in these times. The continued peace of the United States is placed in the hands of one man, the President. He is left the prey of the Morgans, the du Ponts and other unscrupulous profiteers, who would stampede the nation into the next war rather than lose the abundant trade afforded by the conflict.

Gold Stabilization Extension Act; S. 416; sponsored by Senator Carter Glass of Virginia; extends until June 30, 1939, the discretionary power of the President to use whatever is needed of a $2-billion fund to stabilize the foreign exchange value of the American dollar. The President and Secretary of Treasury Morgenthau are permitted to act in secrecy, without divulging the amount of the taxpayers' money that has been expended for stabilization purposes.

Currency Collateral Extension; S. 417; sponsored by Senator Glass; amends the Bank Act of 1935; extends for two years the racket in which private Federal Reserve bankers use government bonds as collateral security for currency.

R. F. C. Extension; S. 415; sponsored by Senator Glass; continues until June 30, 1939, the functions of the Reconstruction Finance Corp., the Commodity Credit Corp., the Export-Import Bank and the Electric Farm and Home Authority. Railroads, banks and big manufacturers have been the principal recipients of R. F. C. largesse. A fishy eye is turned on small business men who need loans to stave off bankruptcy. The Export-Import Bank extends credit to foreign nations who wish to trade with us. It was originally set up to encourage trade relations with Soviet Russio. The Johnson act, forbidding loans to war debtors, voided the Russian pact, but a new treaty is pending.

Housing Act; S. 1685; sponsored by Senator Robert Wagner of New York; creates a United States Housing Authority, with a board of three directors, to promote low-rent housing for small-income families. The Authority may make loans (payable within 60 years) and grants to authorized public-housing agencies. This act is a forward step in the promotion of health by the elimination of slum dwellings.

Bituminous Coal Act of 1937; H.R. 4985; sponsored by Representative Vinson; sets up bituminous coal commission and regional "code" boards for the industry; taxes code members 1 per cent per ton and non-code members an additional 19½ per cent of the sale price; safeguards John L. Lewis "check off" racket and "fines" operators who do not sign contracts with Lewis.

While this list of major legislative bills is not very imposing, Congress found time to hit the taxpayer's pocketbook with a full measure of major appropriation bills. Here they are:

W. P. A. relief—$1,500,000,000.
Department of Agriculture—$927,398,548.
Military establishment—$416,000,000.
First, second and third defficiency bills.
Independent offices appropriation.
Interior Department—$115,871,264.
Navy—$550,000,000.
Treasury (for public debt purposes, i. e., for refunding and interest payments to international bankers)—$1,468,404,470.
Treasury (administrative)—$718,485,790.
Post Office Department—$782,469,361.
Legislative branch—$24,001,734.
State Department—$17,763,000.
Justice Department—$39,380,000.
Commerce Department—$40,451,000.
Labor Department—$23,583,000.
War Department (for non-military functions)—$194,328,368.

EYES *and* EARS

(Continued from Page 4)

and the president knows it.

He just had to have a bogey-man big enough and real enough to scare the "average American" (to use the president's own words) out of his wits and out of his ability to think straight.

So he has given new life to Lord Macauley as the "anti-Christ of the New Revelation." And Macauley's hosts of democracy-destroyers are a sinister and relentless "class, numerous indeed, but select."

The most menacing aspect of these new enemies of democracy is that they believe in the integrity of property and the maintenance of order.

"Almost, methinks," said the president, "I am reading not from Macauley but from a resolution of the United States Chamber of Commerce, the Liberty League, the National Association of Manufacturers or the editorials written at the behest of some well-known newspaper proprietors."

Thus by innuendo and deceit the president tries to fool the American people into believing that the opposition to his "court-packing" scheme, to his alliance with the C.I.O., to his "signature against the Corrupt Practices Act," is summed up in a class led by a dead man and composed of these few organizations — one of them as dead as Macauley.

What about Senator Wheeler, a liberal Democrat, Mr. President?

What about your own Democratic Vice-President Garner, Mr. President?

What about McCarran, Mr. President, and Burke, Clark, George, Connally and the many other Democratic senators, who upheld your policies throughout four long years and turned their backs on you only when they no longer dared to follow your dictatorial course?

What about your own hand-picked New Deal Governor of New York, Lehman, Mr. President?

What about loyal and honest Hatton Summers, your chairman of the House Judiciary Committee, Mr. President?

What about the unprecedented number of your "average Americans," Mr. President, who wrote so many letters and sent so many wires against your plan to control the Supreme Court that Senators of your own party, who wanted to do so, did not dare to stick with you?

Are these good and patriotic leaders and citizens all modern Lord Macauleys members of a "class, numerous indeed, but select"?

No, Mr. President, it doesn't work any more. Your message of February 5, demanding the right to appoint six new judges to the Supreme Court so that you might "trust" that tribunal, has broken your charm.

The people don't believe that a man, who would ask for powers not granted in the Constitution and dangerous to the freedom of a people, has "democracy for his anchor." They rather believe that he has the wind of dictatorship in his sails.

The American people are not fooled — they know, Mr. President, that already you have launched your campaign of revengeful reprisals.

The American people know that Bert Wheeler does not belong to the Liberty League and that McCarran is not associated with the American Manufacturers Association.

Your rabble-rousing fell flat, Mr. President.

The only part of your speech that had the ring of truth in it was the passage which you quoted from Lord Macauley, predicting the rise of:

"A demagogue ranting about tyranny of capitalists and asking why anybody should be permitted to drink champagne and to ride in a carriage while thousands of honest folks are in want of necessities.

"I seriously apprehend that you will, in some such season of adversity, do things which will prevent prosperity from returning; that you will act like people who should in a year of scarcity devour all the seed corn and thus make the next year a year not of scarcity but of absolute famine."

Highlights On Congress

(Continued from Page 1)

Sensational expose of illegal sale **of Democratic campaign books,** autographed by President, to business concerns gives administration a black eye. . . . Disposal of books, to raise party funds, is outright violation of Corrupt Practices Act. . . . Attorney General Cummings ignores demands of New Deal opponents that those involved in spotty affair be prosecuted.

Death comes to **Joseph T. Robinson of Arkansas,** majority floor leader in Senate, in midst of battle to enlarge Supreme Court—a cause he publicly espoused but privately deplored. . . . Robinson gave his life in service to the administration, found political loyalty a fatal medicine. . . . Was third New Deal leader to crack down under strain of inhuman pressure. . . . Speaker of House Henry T. Rainey of Illinois and Joseph W. Byrns, successor to Rainey, preceded the Senate leader to the grave.

Senate delays **court pack bill** by overwhelming vote to recommit it to judiciary committee. . . . Measure, providing for naming of one extra justice a year to Supreme Court by the President, was substitute for original six-justice bill. . . . Both proposals were equally vicious in that they would have destroyed the independence of the judiciary branch of the government and placed dictatorial powers in the executive.

Another precedent is shattered when President refuses to make appointment of **Senator Black to Supreme Court** public at the White House. . . . Name of Black is sent in greatest secrecy to the Senate clerk.

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Growing Friendship for Soviet Peril to U. S. Neutrality Status

Embargo Cry Against Japan Doesn't Help

Undeclared Warfare In China Is Fight on Side Of Christianity to Stem Tide of Communism

By Justin Soval

Various members of Congress have been recorded, recently as being alarmed over the failure of the State Department to take some action regarding the state of undeclared war now existing between Japan and China.

Senator Nye is disturbed because 50 per cent of the scrap iron exported from the United States finds its way to Japan. He fears that we may receive back our scrap iron some day "in the form of shrapnel imbedded in the bodies of our sons."

Senator Lewis is disturbed because we have a thousand or so soldiers permanently stationed in China to protect the property and the interests of a mere handful of our nationals. Senator Lewis fears that the presence of our soldiers in China may preciptate some incident which would endanger either our neutrality or our peace.

Others, even more wild-eyed in their reasoning, have called upon the president to invoke the provisions of our so-called neutrality act against Japen as a belligerent aggressor-nation.

All of which goes to prove that an attitude of neutrality, not backed by a sincere love of peace and an actual aloofness from the entanglements of foreign diplomacy, may become a direct means of our involvement in war.

Undeclared War A New Custom

The first grave danger to the peace of the people of the United States inherent in the Neutrality Act is the provision by which the president may declare a foreign nation belligerent and therefore subject to an arms embargo by our government.

The seriousness of that phase of our official "neutrality" is emphasized by the clamor of Senator Nye for the curtailment of our exports of scrap iron to Japan.

In the first place the sense of the Neutrality Act is that an embargo should be imposed upon the shipment of arms to any nation only after it has been officially determined that that nation was a belligerent.

Japan is today waging an undeclared war against China.

The undeclared war has, within the last few years, become recognized as a definite diplomatic device by means of which it is possible for a nation to gain the objectives of war without incurring the historical responsibility for having waged war. This is particularly possible in the case of a strong military nation against a weak nation.

Embargo Certain To "Take Sides"

Until war has actually and officially been declared between Japan and China, no one definitely knows whether Japan intends an extended military expedition in China, or not.

Should the president declare Japan a belligerent aggressor, for the purpose of calling into effect the arms embargo provided by the Neutrality Act, such action would almost inevitably be construed by Japan, technically at least, as an unfriendly and unwarranted act.

Suppose, however, that the State department, as Senator Nye seems to desire, should merely proclaim an embargo against the further shipment of scrap iron to Japan; or if it would please the senator, suppose the quota of such exports to Japan were reduced 75 per cent. What would be the result?

Soviet Friendship Complicating for U. S.

Japan might justifiably infer that, in advance of a declaration of war, she was being branded as a belligerent by inference. The diplomatic rupture then could be as grave as if the president had "declared war for Japan" under the provisions of the Neutrality Act.

Our recent over-friendliness with Soviet Russia, in carrying out the New Deal objective of the reciprocal tariff policy, has not improved in the slightest our "good neighborliness" with those nations which hold the present government of Russia (and justly so) to be the great enemy of established governments throughout the world. Japan is one of the foremost and most militantly anti-Soviet of these nations.

That Japan is at least partly motivated in the present "war" on China by nationalistic fear of the Soviet world-revolution was made clear to the world recently by Foreign Minister Koki Hirota when he said:

"I have endeavored to eliminate this Chinese tendency to reject and despise Japan. The so-called Hirota three principles were submitted to China as a fundamental policy, but behind this idea of rejecting and despising Japan are Communism and the Comintern.

"Officially, There's No War in China"
—Ross Lewis in the Milwaukee Journal.

Japan Fighting For Christianity

"Japan needs something from China, and China needs something from Japan. My mind is occupied at present by the thought that if China will participate in the Berlin anti-Comintern agreement and Communism is driven from the Orient, then the peace of the Far East will be firmly assured."

Japan, whatever other sins she may be stained with, is fighting the battle of Christianity and orderly government when she wages war against the infection of Communism.

Communism has penetrated seriously into the northern provinces of China and there constitutes an aggressive menace to the sovereignty and integrity of Japan.

Consequently, Japan must be anything but pleased with the recent announcement by the American president that a treaty had been completed with Russia which gives Russia the status in our foreign trade relations of a "most favored nation."

The fact that this treaty sanctioned the continued importation into this country of 400,000 tons of Russian anthracite coal indicates a degree of friendliness to Russia which is positively self-sacrificing.

Coal Deal Peril To "Neutrality"

What justification is there for our government to import anthracite coal from Russia when there are 60,000 anthracite coal miners unemployed in this country—when the importation of Russian coal will cost American labor a loss of $1,200,000 in wages, will cost American producers a loss of $2,300,000, and will cause a loss of $1,400,000 to American railroads?

Surely to Japan **this kind of treaty making must indicate anything but a deeply founded spirit of neutrality on the part of the government of the United States.**

Should the administration, however, heed the misguided urgings of fanatical "neutralists" and either "declare war for Japan," or by the inference of war embargo on scrap iron, declare Japan an aggressor and a belligerent, our great instrument of neutrality would soon demonstrate in fact the dangerous unsoundness of its basic theory.

O'Malley Warns Congress Of an Ineffective Neutrality

Hon. Thomas O'Malley
Representative from Wisconsin

From the Congressional Record:

Early this year the membership of the House voted for an arms embargo law in the interests of neutrality which we were solemnly assured gave the President of the United States the authority to place an embargo upon the exportation of arms and implements of war and to issue other executive orders in the interest of maintaining the neutrality of the United States and assuring that our country would not become involved in the military disputes of other nations.

For a number of weeks on the other side of the Pacific the armed forces of China and Japan have been waging war on the Asiatic mainland. In spite of the pratings of international diplomats, and legalistic hair splitters, China and Japan are at war with every indication that the struggle will be a long one and may easily involve other nations, yet no application of our widely advertised neutrality and arms embargo laws has been made.

Materials to be used in the prosecution of war are leaving our ports. American nationals are traveling on ships of the belligerents, American refugees are remaining in the war zone and apparently have not been advised to evacuate, and **American money and credit have not been restricted to the countries involved.**

When the so-called neutrality laws were passed, by this Congress, some of us protested the ineffectuality and their dangers of international repercussions, but our voices crying in the wilderness were not heard.

Why it was necessary to place the executive on the delicate spot of declaring war in existence before embargoing the shipment of arms and implements of war from this country, neither I nor millions of other friends of peace in America have been able to understand. **No one has ever convinced me that it was a good thing to ship arms, implements of war, and loan money to foreign countries before a war started, but a bad thing after shooting began.**

The situation in Asia grows more serious day by day, and none of our so-called neutrality legislation, approved by that committee and enacted into law, has been applied. Scrap metal and other materials usable in the prosecution of war are leaving our ports. War clouds that may hover over us gather more ominously each day across the Pacific.

We shall and must keep out of war, and the surest way of doing it is to **take neither side and prevent profit-hungry war mongers from involving us on either side by the plying of their disreputable trade.**

Swedes Have Best Anti-Aircraft Gun

STOCKHOLM, SWEDEN. — After some two years of trying negotiations between Germany, Italy and England, with the sky as the limit, Great Britain has come off victorious in obtaining the complete output of the anti-aircraft guns of the Bofors Works in Sweden. The British Vickers Company, principal ammunition manufacturing concern, had reported after exhaustive experiments that it was unable to produce an anti-aircraft gun of equal power and quality as the Bofors model.

The Bofors gun sends out a stream of small, high explosive shells at the rate of 250 a minute. At a certain height this stream of missile becomes visible to the naked eye, insuring accurate marksmanship. The Bofors Company is to build a special factory to produce the guns and ammunition for the British government. The total value of the orders to be filled within two years is estimated at $35-million.

Swedish minds excel in ammunition triumphs. Alfred Nobel invented dynamite and nitroglycerine. Now comes a gun unequalled by anything in the world for the job it has to do.

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Control of Cotton Crop Is New Deal's Price for Prosperity in the South

Drop of 45 Per Cent Spells Doom to Farmers And Industries Unless Congress Will Yield

Hopes for prosperity in the south have been deflated since President Roosevelt, in a press conference the last week in July, predicted the possibility of 8 cent cotton, unless his new form of agricultural control were adopted.

The South listened and was afraid. For cotton, since its 1937 high of 14.57 cents, had already dropped to 13, 12, 11, and down to 10.9 cents by the end of July.

The prospective cotton crop of 14,500,000 bales, a few years ago would have been considered a fairly average yield. However, with the passing of our markets to foreign lands in the days of the AAA, the administration is alarmed at the great harvest that is expected.

Cotton selling for less than 20 cents a pound means ruination to the great South, but cotton raised to 14½ cents and dropped to a point already below 11 cents, means not only the ruination of the South, but the end of a vast number of great textile mills employing tremendous numbers of laborers.

The drop from 14½ cents to 8 cents is more than a loss of 6½ cents. **It is a loss of almost 45 per cent to cotton growers of the South!**

That price for cotton would mean discipline to a South which had sent to the Congress of the United States, Senators who revolted against one of the most ambitious proposals in the New Deal.

The price of prosperity for the South at present will be determined by the passage of the new agricultural control bill. Irrespective of the bill's merits, southern co-operation with the administration is, seemingly, the only way to fight 10 or 8 cent cotton.

High Prices No Help to Farmer Without Goods

CHICAGO, ILL. — The livestock and meat industry has shown recently how curtailment and destruction really affect prices.

Prices of hogs and pork have reached the highest levels in 11 years, while the shipments from the farm have hit record lows—the long predicted consequences of drouth, curtailment and the AAA destruction program.

The housewife, whose weekly meat bill registers the trend in prices, and the farmer likewise suffer from the conditions which were to have helped them. The upsurge of prices now does not benefit the farmer because he has so few hogs to sell. He profited more on a larger volume of sales at lower prices.

The rise in prices of livestock and meats this year has been the most sensational on record. Pork rose because of the small amount of live stock shipped from the farms. Beef prices rose in sympathy, but to what avail?

Indicative that scarcity has not created prosperity is the fact that the stock raisers received only $20,036,000 for all the meat animals they sent to the Chicago market during July, or over $5-million less than they received in June, and yet the prices received for the animals was from 5 to 10 per cent higher than in June.

All of which might cause administration leaders who encouraged these circumstances to question the advantage of high prices when the goods for which these prices could be charged, have been destroyed.

Milling Trusts In North Dakota Face Checkmate

A genuine "new deal" for the wheat farmers of North Dakota is being planned by Governor William Langer. The funds and resources of the Bank of North Dakota have been pledged to guarantee farmers of the state a fair price for their high protein, low weight wheat.

"We are going to checkmate the milling trusts who have cut the price of 37-pound wheat a total of 52 cents in 24 hours and we are going to use the entire resurces of the state, if necessary, to do it," promised the North Dakota governor.

The wheat sold under this plan will be paid for immediately in cash, and the prices to be offered day by day will be broadcast over a state radio network.

In the findings of the late United States Senator Edwin F. Ladd of North Dakota, it was disclosed that milling interests had in the past made a practice of mixing the high protein Dakota wheat with heavy, low protein Kansas wheat, deducting price percentages from the sellers of both for the shortcomings in protein or wheat.

Kennedy's Initiative Saves Vetoed Farm Act

The prize for individual initiative in fighting for the farmer should go to former Secretary Edward E. Kennedy of the National Farmers' Union, for his work when Congress was reconsidering the lower interest bill after President Roosevelt's veto.

Kennedy

The emergency which first invoked the lower rates for the benefit of imperiled farmers, legally expired July 1. Had it not been extended at this session, farmers would have been required to pay interest charges ranging from 4 to 6½ per cent on their mortgage obligations to the government.

That is something the newspapers of the country didn't bother to report in their stories relative to the fight in Congress. Most of them fell for the propoganda that the rates which impoverished farmers would have to pay, should the bill not be extended, would range from 4 to 4½ per cent.

But Mr. Kennedy bothered to report it. Using the Farm Credit Administration's own figures, he compiled the accompanying table showing the actual numbers of federal land bank loans (excluding commissioner loans) and the actual interest rates farmers would have to pay if the veto were sustained. These he passed on to the Senate, and they showed an average interest rate very different from 4 per cent.

Number of Loans	Amount of Loans Outstanding May 31	Contracted Interest Rate	Amount Interest Due at Cont. Rate
53,515	$ 219,026,555.98	.04	$ 8,761,062.23
13,793	56,719,521.24	.0425	2,410,579.65
2,442	8,471,038.39	.045	381,196.72
525	1,560,342.15	.0475	74,116.25
295,315	1,078,987,450.27	.05	53,949,372.51
12,240	48,136,715.90	.0525	2,527,177.58
223,432	556,804,272.80	.055	30,624,235.00
21	77,407.82	.0575	4,450.94
36,690	82,891,877.47	.06	4,973,512.64
157	883,221.65	.065	57,409.40
638,130	$2,053,558,403.67	(av.) 5.053%	$103,763,112.92
	The same at 3½% interest (H.R.6763)		71,874,544.12
	Difference between "contract" and 3½% rate		$ 31,888,568.80

Missouri Farmers Testify to Receiving Checks for Nothing

"Soil Conservation" Not Required to Get Checks From A. A. A.

While relief funds are being exhausted in one state after another, and good bills are being vetoed in order to "balance" the national budget, an odd note has been sounded by farm owners in Missouri, to whom it seems that the government is anything but "short" of money.

A. F. Sommers, a Cincinnati insurance man, who owns a 160-acre farm near Unionville, Mo., mailed back on July 20, a check which he had received from the Treasurer of the United States for "soil conservation."

Part of Mr. Sommers' letter to the Secretary of Agriculture follows:

"Some years ago I was compelled to take over a farm on which I had a mortgage, because the owner no longer desired to operate it, and I have been holding this farm ever since, paying taxes on it.

"A few days ago I received a check from the Treasurer of the United States for 'soil conservation' (whatever that may be). The peculiar thing about this matter is that I have not sought any help. I do not know why I should be compensated by the federal government for things I did or did not do. I am quite in a position to take care of myself and need no help from the federal government. . . .

"I am unable to follow the wisdom of a course which pays citizens for planting nothing when their properties might be productive. Nor can I follow a system which in some cases pays to the owner for soil conservation, or what not, in one year, more than he would have sold his property for . . . nor have I been able to see why the government should pay men for being idle under the misnomer of 'relief' or various alphabetical disguises **when an honest 'horse-and-buggy' farmer who honestly tries to operate his farm for what it was intended, could not hire help even to harvest his crops.** Nor have I been able to follow why little pigs (whose only offense was that they were born under the New Deal administration) were destroyed when many in this country suffered want and hunger. . . .

"Having been taught in childhood to accept nothing except it be honestly merited, and believing that I have done nothing to earn this money, and that by its acceptance I would in substance indorse a system which I regard wrong in principle and unsound in practice, I take pleasure in herewith returning it with my very definite refusal to accept it."

Another letter, from Sikeston, Mo., tells of A. A. A. money liberally dispensed. Dated May 16, 1937, it was addressed to Senator Arthur H. Vandenberg of Michigan.

Dear Sir: I noticed in Mr. Frank R. Kent's column that you had information that farmers had received money for reducing their crop after they had harvested it. This is what I did in 1936. This is how I got it:

Some 10 days before election a man came to me on the street of Sikeston, told me he had some government money for me. This was a great surprise to me, as I was not expecting any money. But he told me if I would go over to his car and sign a paper he would give me $15. So I went. I thought it best to read before I signed. So on reading I found it to be a contract to reduce my 1936 cotton crop. **I told him I could use the money, but I did not see how I could reduce my 1936 crop when I already had it gathered and sold, but he assured me it would be all right,** for he had $75 to be divided up among five of us on the same terms. So I signed and got the money. I would make this statement under oath if asked to do so.

Very respectfully,

G. W. Anderson.

Protest Lavish Money Distribution While Needy Are Neglected

It is possible that Senator Borah of Idaho was not completely in error in his belief that **"all this skullduggery and all this lawlessness and all this crookedness is not down at the bottom. It cannot be possible. Somebody is responsible toward the top. They may not know of the specific acts, but they know of the method by which these things are being carried on, if they have any system whatever."**

At any rate it is regrettable that so much of the government money is haphazardly distributed into the hands of those who have no right to have it—especially **when many deserving are being left to starve because of a shortage of government funds!**

Farm Leader Opposes New Curtailment

Missouri Editor Prefers Problems of Plenty To Those Resulting From Scarcity

William Hirth, Missouri farm leader and editor of the Missouri Farmer, has come out in his publication against the artificial scarcity to be created by the Wallace plan for price maintenance.

"After a conference with Mr. Roosevelt," said the editor, "the leading officers of the American Farm Bureau Federation issued a statement severely criticizing the Congressional agricultural committees for their announcement that the enactment of major farm legislation would not be attempted during the remaining days of the present session.

"Since they issued their statement immediately upon leaving the White House, it is to be assumed that it had the president's approval.

"The farmers of the country are given to understand where the responsibility will lie if they should encounter new difficulties during coming months. When the Supreme Court refused to put its OK on the AAA, the court was pictured to farmers as a big, bad wolf and now Congress is put in a similar light.

Farm Bureau Used by Wallace

"All this implies that the White House is never wrong, and that when the other co-ordinate branches of the government do not do its bidding, they are acting 'against public interest.'

"During recent weeks this Farm Bureau Federation has presented a new farm bill to the agricultural committees. It is the so-called Wallace ever-normal granary idea. Just because the committees did not see fit to swallow the bill hook, line and sinker, as they did the AAA and the Soil Conservation Act, they are hamstrung before the farmers of the country.

"As has occurred on former occasions, the National Farm Bureau Federation was used by Secretary Wallace to make Congress believe the bill emanated not from him but from the farm organizations of the country.

Farmers Can Use Large Crops

"Among other things, the Federation's statement asserted that unless surplus control legislation is enacted, it is possible that 'the larger crops of cotton and corn now grown seem destined to have a lower aggregate value than the same crops grown in the disastrous drouth year of 1936.'

"With our corncribs as empty as a last year's bird's nest, and after having, during the recent winter, witnessed the importation of many millions of bushels of Argentine corn and European oats, to say nothing of millions of pounds of canned meats from South America, the farmers of the Corn Belt will be deeply grateful if a big corn crop is produced.

"Regardless of the price, this will give them plenty of feed, which they have not had for three years in succession. With a short pig crop, there is little danger of excess pork production.

"Whatever the difficulties of plenty, they are far less tragic than those of scarcity."

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The People Speak . . . .

Communist Politicians Seek C.I.O. Votes in Massachusetts

To the Editor:

There is a concerted drive on foot to round up all the voters in the C. I. O. to vote the Communist ticket in the next election. How do we know this? On Sunday, July 25, our local union (which we were forced to join) the United Shoe and Leather Union Workers in Boston, a C. I. O. affiliate, gave a picnic at which the members were addressed by a prominent Communist who advocated equal rights for the workers, a share-the-wealth plan, etc.

These workers are for the most part, ignorant aliens—Italians, Poles, Jews, and the general overflow of southern Europe who once were admitted wholesale into this country to further the designs of their Communist leaders.

They are told that this is true Americanism, and they know no better. They will do what they are told when voting time rolls around, and put their candidates in office.

These voters in the unions ought to be warned not to vote for a Communist candidate or one suspected of Communism. The C. I. O. union is nothing more or less than a hotbed of Communism, and no matter what the labor leaders tell them to do, the members should not vote for those candidates.

If you cannot vote for a candidate who is a true American do not vote at all. Give all the promises they like; pat them on the back and tell them what good fellows they are to give you the earth for nothing, then pass in your blank ballot with a smile. That is what they do to you, isn't it?

Have they given you the earth, steady work the year round with good pay, low cost of living, no labor trouble, helped you to own your own home and a car? Have they? I ask you. If not, then what have the unions done for you? Do they pay heavy dues to you, give you 5 per cent of their princely salary, help buy you a car and pay for its upkeep? **They promised that to you, didn't they? Then where is it?**

Strikes, starvation, no jobs, thrown out of your miserable hovels because you cannot pay the rent, no clothing worth the name—beggars, all of you, and yet you believe all they tell you. You will go to the polls on election day and cast your vote for their candidates, just as you are told to do, and then what will become of you?

Are you any farther ahead since you joined the C. I. O.? You are, if you are one of "the committee," but what about the average worker?

My friends, do not be misled any longer. If you cannot put the C. I. O. out of business, there is one thing that you can do. Don't cast your vote for its political candidates. Wake up and fight for your true rights as American citizens, and send these Communists back to Russia where they belong.

—John Marchmont.

Boston, Mass.

Banking System "Legalized Robbery"

To the Editor:

Congratulations in securing so capable a writer as Mr. Robert Hemphill for the "money" page. His article is a gem.

In 1933 Mr. Hemphill succeeded in getting the Hearst papers to publish a most amazing article entitled, "Why We Have No Money." I am convinced that it was the best article on the money racket ever published in the "bought" press. There is no doubt that the publishers did not understand its full import or they never should have printed it.

In the interests of social justice, I urge you to reprint that celebrated article, which contains irrefutable proof that the banking system is a ruthless legalized system for robbing the people.

—James P. Fitzgerald.

Albany, N. Y.

Editor's Note: SOCIAL JUSTICE hopes to quote the earlier article by Mr. Hemphill in a later edition.

Writer Praises Milk Series

To the Editor:

With my friend, Joe Fodor, I am writing to say that we sent a check for $5 recently as contestants in your second contest, **"Know America."**

My own activity in business is centered on dry milk production. Farmer milk producer co-operation has been greatly helped by the articles bearing on Michigan, New York and Pennsylvania milk distribution.

—H. Irving Andrews.

South Norwalk, Conn.

Likes Improvement In Paper

To the Editor:

I wish to congratulate you on the excellence of SOCIAL JUSTICE. You have greatly improved the publication. May your health and strength continue unabated to carry on the great fight for human emancipation.

—Evan L. Cranfill.

Kansas City, Mo.

Sun-Telegraph Not Accurate

To the Editor:

I have just finished reading an article published in the Pittsburgh Sun-Telegraph of August 8, 1937, purporting to charge Father Coughlin with having accused Mr. John Brophy of being a Communist.

I have read every issue of SOCIAL JUSTICE published and cannot recall of any time that Father Coughlin ever accused Mr. Brophy of being a Communist. What he did say was that Mr. John L. Lewis had charged Mr. Brophy, Powers Hapgood and others with being "agents of Moscow" and that charge was made officially by Mr. Lewis as far back as 1924.

Then again, in May, 1928, the same two gentlemen with others were accused of trying to capture control of the United Mine Workers of America and make of it a Communist organization.

These charges were made by Mr. Lewis and not by Father Coughlin as stated in the "garbled" article appearing in the Pittsburgh Sun-Telegraph.

—J. L. Burke.

Pittsburgh, Pa.

"Spiking the Gold" Tells Depression Story

To the Editor:

In SOCIAL JUSTICE for August 16, an article by the financial editor is entitled "Nation's Depression Deliberately Planned." The writer of that article gave full credit to Congressman Finly Gray for quotations taken from his speech in Congress.

Part of Mr. Finly Gray's speech is carried under a subtitle based on a paragraph found in my book, "Spiking the Gold." At the close of the quotation, that paragraph of my book is copied verbatim under the subtitle above mentioned, without giving the author credit.

Further in the same article is found another lengthy quotation taken from my book without credit.

It is because I believe that you are trying to be absolutely fair and above board in all of your writings and publications, that I call this to your attention.

It seems that by copying nearly 600 words from my book, your financial editor would be honorable enough to give proper credit; but if it was an oversight, proper credit in justifiable space should be given in the next issue.

—Andrae B. Nordskog.

Los Angeles, Calif.

Editor's Note: SOCIAL JUSTICE regrets extremely the oversight which omitted proper credit to Mr. Nordskog, a financial counsellor, with offices at 531 West 42nd Place, Los Angeles, Calif., and the author of a number of important books on finance.

Doesn't Like Pope's Picture

To the Editor:

Thanks for taking the Pope's picpicture out of SOCIAL JUSTICE. Now perhaps I can get some very good, intelligent persons interested in it. But even that is not enough. You simply must free the paper of all vestiges of Catholicism.

—Morton Dworshak.

Duluth, Minn.

Gave Honest Service For U. S. Pay

To the Editor:

I am in receipt of the July issue of SOCIAL JUSTICE which contains an article entitled: "Gain Farm Leaders' Support by Adding Names to the Payroll."

A great deal of Father Coughlin's philosophy in the past I have been able to subscribe to. I have never stood in the way of organization of his group in the State of Wisconsin, even though it has duplicated effort in many of our counties where we have had large farmers' union organizations.

This article is about the lowest type of propaganda that has ever been spread amongst the American people. This article and propaganda like it, is destroying the membership of the greatest farm organization in the United States.

The article is made up of intimations, accusations, and insinuation. It is clearly and simply a tirade on the honesty and integrity of honest people who have been doing special work alotted to them and endorsed and approved by the membership in their respective communities and states.

The article was written for SOCIAL JUSTICE for the explicit and determined purpose of destruction by destructionists and not constructionists.

It is true that everyone of these people mentioned in this article, and many more that I can name, have been at some time or other or are now, working for the United States government, and not for Mr. Wallace. The purpose for which they were hired and what they received it for has been purposely omitted from this article to create dissension amongst the leaders.

If it is the intent and purpose of your organization to send out this propoganda further, it will necessitate our severing complete relations, **and I will be forced to go out and spend my time telling our people what is back of this movement and this article.** There are probably a lot of things that you do not know about connected behind this article, many of which I do not believe you would approve.

I hope that SOCIAL JUSTICE will be courteous enough and extend me the right and privilege to print my answer in its columns.

—K. W. Hones, President, Farmers Educational & Co-operative Equity Union.

Chippewa Falls, Wis.

News Guildsmen Only Take Orders, Few Have Chance to Make Policy

To the Editor:

The admonition of Msgr. O'Toole that "it is unwise on our part to refuse a helping hand to Catholic workers within the ranks" of the C. I. O., and Father Coughlin's own request for "constructive criticism," both in SOCIAL JUSTICE for July 26, induce me to write this letter. I was of a mind to do so immediately after reading what you wrote about the American Newspaper Guild, but could not quite bring myself to criticize one after whose every utterance I have heretofore without the slightest pause, answered "Amen!"

In remonstrating against what I consider an unfair attack on the American Newspaper Guild may I state that I am a firm believer in the social justice principles, being a past president of a National Union unit and a present organizer of a Social Justice Council.

I was one of the organizers of the American Newspaper Guild in Louisville, was its acting secretary until it received its charter, and was dues collector for "The Times" unit of the local.

Several weeks ago I withdrew from the Guild **because of the adoption by its annual convention of the resolution pledging support and encouragement to the Spanish government.**

I cannot understand how you can attribute publication of C. I. O. activities to Guild members. Surely you must know that the coloring of news done by reporters, compared to that done by publisher or at his instigation, is infinitesimal. How can Guildsmen be responsible for "perpetuation of relief instead of campaigning to remove the causes which necessitate relief?"

In the first place, 95 per cent of the "campaigning" is carried on by reporters only at the specific direction of their bosses and very, very seldom "on their own." Occasionally they can "slant" a story, but unless approved by the boss, they will be ordered to rewrite it. In the second place, virtually all direct espousal of causes is done on the editorial page and only a wee small percentage of editorial writers, let alone editors, belong to the Guild. In the Louisville local there isn't one. For the most part the Guild is composed of young men who are way down the ladder in the profession.

Guild writers are very little to blame, if at all, for not printing stories "favorable to the Franco party." The poisoning is accomplished at the source in Madrid, London or Paris, or at the transmitting point in the United States. Approximately 95 per cent of foreign news is obtained by the wire services among which Guild membership is negligible, so small in fact that the office of vice president in the American Newspaper Guild, formerly reserved for an employe of the wire services was eliminated at the last convention.

The demand that the names of writers and their Guild affiliation be appended to their writings would, I feel sure, be complied with gladly had they the say-so. **But if you insist that the Newspaper Guild should be suffixed to the name of the writers, should you not also insist that the publisher or editor be required to state his social and business connections and his stock holdings?**

Father Coughlin says that he would "refuse to hire a man or woman who belongs to this 'red' organization." These words seem strange coming from a Democrat who has time and again in the past upheld **the right of workmen to form associations of their own choosing.**

Omission of General Franco's broadcast, I am confident, was not the work of $20 and $30-a-week-men who compose the majority of the Guild, nor hardly of "red sympathizers" like Heywood Broun who comprise a small minority of its membership. Like those "who make a country's laws," Guildsmen are powerless to foster any cause effectively so long as they do not hold the purse strings.

—James P. Sullivan.

Louisville, Ky.

(Editor's Note: The thought expressed in the above letter is admirable. It is still the belief of Social Justice that every article written in the newspaper should be captioned by the name of its author. Moreover, the names of the real owners of every newspaper should be published at least once a week on its editorial page. In this way the public would know the source and coloring of the information which it receives.)

Universal Love Must Be Answer

To the Editor:

The choice which every citizen of this free land is called to make is between a materialistic and a spiritual ideal. Shall we obey the human and selfish will, or the divine will of love? We must not only make the choice for ourselves, but we must decide which standard shall be held before the children and the youth of America in the homes, the schools, the universities and the churches.

It is not merely a religious choice. It affects education and politics as truly as it concerns a so-called religious life. In fact the old division between the sacred and the secular no longer exists.

It is not so much piety as righteousness that exalteth a nation. Righteousness is the only true piety. Love is a universal solvent. No problem of individual or social life can be wrought to a just conclusion without it.

—Albert Johnson.

Floral Park, L. I.

Social Justice Indispensible

To the Editor:

This is the first opportunity I have had to renew my subscription, which expired in April.

I've missed the paper so much. I find that without it I cannot give views on important subjects from a reliable standpoint any more.

—John C. Kret.

Cudahy, Wis.

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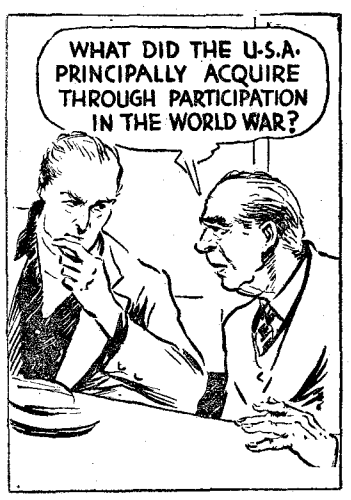
"Know America" Contest Half Over!

$8,000.00 Await Social Justice Readers

QUESTIONS FOR THIS WEEK

Picture No. 21



Picture No. 22

Make Your Selection by Number from Following Lists:

1. Credit for making the world safe for democracy.	1. The C. I. O.
2. Extension of its foreign trade.	2. The A. F. of L.
3. The love, honor and respect of foreign nations.	3. Schemes of international bankers.
4. The hatred of foreign debtor nations.	4. Power in the hands of munition manufacturers.
5. Greater permanent national prosperity at home.	5. The Democratic Party.
6. An internal national debt to banks of more than 30 billion dollars.	6. The Communist Party.
7. A greater measure of liberty for the American people.	7. Naziism.
8. Free trade with foreign nations.	8. The world war debt owed the United States by foreign nations.

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN
NOT NECESSARY TO RETURN PICTURE KA
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 21 For Question No. 21 I Select Answer No..... ☐ No. 22 For Question No. 22 I Select Answer No..... ☐

MY NAME IS.....

MY ADDRESS IS.....

TOWN OR CITY.....STATE.....

EXTRA COUPON FOR FRIEND OR RELATION

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN
NOT NECESSARY TO RETURN PICTURE KA
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 21 For Question No. 21 I Select Answer No..... ☐ No. 22 For Question No. 22 I Select Answer No..... ☐

MY NAME IS.....

MY ADDRESS IS.....

TOWN OR CITY.....STATE.....

How To Become A Contestant

1. Study the questions. Mark your selection of the best or most appropriate answers on the Coupon below the picture and send in EACH WEEK with 10 cents in coin (not stamps).
2. If you wish, you may pay up in full, $2.50 NOW, and then send in your weekly Coupons without further remittance.
3. Each question will pertain to a live AMERICAN ISSUE discussed in the columns of SOCIAL JUSTICE. One of the list of suggested answers underneath each picture will be the best or most appropriate FROM THE VIEWPOINT OF FATHER COUGHLIN AND THIS WEEKLY ON NATIONAL SOCIAL AND ECONOMIC ISSUES. It is your job, as a contestant, to try to select that particular answer.
4. Each contestant who completes a fully qualified set of 50 answers will receive, without further cost, a handsome 105-page souvenir book descriptive of the Shrine of the Little Flower at Royal Oak, with 63 beautiful illustrations.
5. In order to qualify for the prizes, a contestant is required to remit $2.50 for each complete set of solutions submitted, and also to obtain one NEW yearly subscriber to SOCIAL JUSTICE at the annual subscription price of $2.00 per year. This subscription may be sent in at any time during the 25 weeks duration of the Contest.

READ RULES CAREFULLY AND ENTER TODAY!

ADDRESS—

"CONTEST EDITOR"

SOCIAL JUSTICE

ROYAL OAK, MICH.

GRAND PRIZE
$2,750.00

Second Prize
$1,250.00

THIRD PRIZE
$500.00

FOURTH PRIZE
$200.00

FIFTH PRIZE
$75.00

10 Prizes of $50.00 Each.
20 Prizes of $25.00 Each.
100 Prizes of $10.00 Each.
200 Prizes of $ 5.00 Each.

Unless You Enter You Cannot Win $2,750.00

Rules of Contest

1. Open to all readers of SOCIAL JUSTICE except employes of Reverend Father Coughlin, members of the former National Board of the National Union for Social Justice, or members of their families.
2. Two pictures each week for 25 consecutive weeks, beginning Monday, June 21, 1937. Each picture contains a question dealing with a live economic or social problem affecting the United States during the current year.
3. A Grand Prize of $2,750.00 will be awarded to the reader of SOCIAL JUSTICE returning the best or most appropriate answers to the 50 questions, such answers to be based upon the viewpoint of Father Coughlin as expressed in the columns of SOCIAL JUSTICE or in his public utterances. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in the order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each weekly Coupon; and to obtain at some time during the Contest one NEW yearly subscriber to SOCIAL JUSTICE at $2.00 per year. The remittance of 10 cents in coin and the effort of obtaining the subscription is in payment for a handsomely illustrated 105-page book descriptive of the Shrine of the Little Flower. Purchase of this book, which will be delivered after the close is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for Coupons arriving unduly late. By entering the Contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties additional pictures and questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do NOT decorate Coupons. Neatness will NOT count.
8. Any inquiry the reply to which could not affect outcome of Contest will be acknowledged.
9. A contestant may send in any number of answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set, and one yearly subscription for each set submitted, will be entitled to one book for each set.

Our **"KNOW AMERICA" Contest** is half over—but what can it mean to you unless you have entered.

With approximately $8,000.00 in prizes to be awarded to 335 readers of SOCIAL JUSTICE within only a few weeks—what are you doing about the matter?

The task of the contestant is to select what he or she considers the best or most appropriate answer to each question, BASED UPON THE WELL KNOWN POLICIES OF FATHER COUGHLIN AND SOCIAL JUSTICE.

With a Grand Prize of $2,750.00 awaiting some man, woman, boy or girl who shows REAL knowledge of our country. A Second Prize of $1,250.00! A Third Prize of $500.00! A Fourth Prize of $200.00! A Fifth Prize of $75.00! Ten Prizes of $50.00 each! Twenty Prizes of $25.00 each! One Hundred Prizes of $10.00 each! Two Hundred Prizes of $5.00 each! Will your name be "in the pot" when the computing for winners begins.

You, yourself, have an EQUAL chance to win with anybody in the contest—Remember that and MAKE UP YOUR MIND TO WIN! THERE'S NO TIME LIKE THE PRESENT! Now's the time for you to seize this opportunity to win $2,750.00 in CASH! The GRAND PRIZE that will be awarded to the winner of our **"KNOW AMERICA" Contest.**

It is not yet too late for you to enter this great competition. You can do so by availing yourself of the Past Picture Coupon on this page.

Fill out this coupon NOW and mail it to the "Contest Editor." Within a day or two you will receive all picture-questions which appeared in the contest thus far.

Time is passing. The awards are waiting. Do the proper thing—TODAY.

Start Right Now!

YOU CAN WIN
$2,750.00

Fill In Coupon and Mail Today

CONTEST EDITOR
SOCIAL JUSTICE
ROYAL OAK, MICH.

I wish to enter the "KNOW AMERICA" Contest at once and be on an even footing with all other contestants.

Please send me free of charge, all Past Pictures which have appeared up to date.

Name.....

Address.....

City.....State.....

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Inside Story of the Dawes Loan

R.F.C. Aid Paid; Then Authorized

By the Financial Editor
Of SOCIAL JUSTICE

Chicago, Ill. — In the first article of this series SOCIAL JUSTICE gave some of the historical background of events that led up to the nation-wide bank closing of March, 1933. It showed how a group of key bankers, in 1919 and 1920, deliberately plotted the dissolution of all small banks and those not affiliated with the Federal Reserve System. How successful they were is borne out by the fact that there were 30,000 banks in 1920 and by 1937 this number has been cut in half so that there are now only a little over 15,000.

This number is being steadily cut down by mergers and rulings of the Federal Deposit Insurance Corporation. More than 32 mergers were effected by this institution during the first six months of 1937 and only recently Leo T. Crowley, chairman, stated he **would like to see about 2,800 banks eliminated in the next seven years!** Mr. Crowley evidently is figuring on some mass bank insolvencies such as occurrred during the banker-engineered depressions of the 1870s, the 90s, and the 1930s. And it won't take seven years! For 2,800 bank closings in seven years, average only 400 a year.

The Federal Deposit Insurance Corporation was created by the Banking Act of 1933. This corporation, with a capital of less than $400-million, of which $150-million was subscribed by the Secretary of the Treasury on behalf of the United States government, pretends to guarantee approximately $12-billion of bank deposits.

Bankers Use Government's Name

The ostensible purpose of this Federal Insurance is to mislead innocent depositors. It causes them to believe that the United States government guarantees their deposits up to $5,000 per individual account, whereas the total amount of money subscribed by their government is only $150-million. It is alleged by experienced observers and domestic bankers that exercise of arbitrary examining powers and regulations desired by the international banks is the real purpose of the corporation. This is how it works.

The FDIC is as much a supervising, regulating and controlling agency as it is a guaranty fund. Over 95 per cent of the commercial banks of the country are "members" of the corporation, and, therefore, liable to its supervision. It has extensive powers to examine all members not subject to examination by the Federal Reserve officials or by the representatives of the Comptroller of the Currency, i. e., it can examine, supervise and discipline state-chartered banks which have refused to join the Federal Reserve System.

All national banks have to join it.

Control Lever Of Internationalist

Moreover, the fact that FDIC is a lever for the international bankers to exercise arbitrary control over those not subject to the dictates of the Federal Reserve is indicated by the fact that it has power to clamp down on the granting of new charters to banks. Some of the bankers are aware of this and inter-bureau jealousy is rampant. This was indicated recently when a New Jersey bank received a bank charter from the Comptroller of the Currency, through great personal pressure from those high up in government, against the recommendation of both the FDIC and the Federal Reserve Board as well.

The Federal Reserve Board is the key agency in this plan to close up small banks and have only a few powerful and gigantic institutions control the economic life blood — credit — of the producing communities of this nation. Jesse Jones, in his recent series of articles in the Saturday Evening Post, entitled: "Billions Out and Billions Back" virtually admits this when he says:

"The method of determining which banks were sound enough to be allowed to reopen (following the close of all banks on March 6th, 1933, by presidential proclamation) was left largely to the Federal Reserve Banks, the Comptroller of the Currency, and state banking authorities." And when it gets right down to brass tacks, that means the Federal Reserve Board.

Runs Close 167 Chicago Banks

On our about the 7th day of June, 1931, the affairs of the Foreman State Bank of Chicago, one of the large banking institutions in the Loop district, became so involved that it was apparent that it could not meet the demands of its depositors and a bank panic was on the verge of developing. Accordingly, the officers of the various Loop banks, including the officers of the Central Trust Company of Illinois and the National Bank of Republic of Chicago, were called into conference.

As a result of this conference arrangements were made whereby the First National Bank of Chicago assumed the deposit liabilities of the Foreman State Bank of Chicago. However, both the First National Bank and the Continental Illinois Bank & Trust Company, headed by the late Melvin Traylor and George Reynolds respectively, gave verbal assurances to many outlying banks that they would stand behind them in case of runs. (Following this, the Bain Chain of banks failed with a deposit loss of $13-million to some 3-million small depositors of the South and Southwest side of the city.) When the actual runs began, in most cases, the banks were refused the promised aid, with the net result that where there were 223 banks in Chicago in 1930, in January, 1937, the city had only 56 banks. In other words, 167 small banks were frozen out with losses of millions to unsuspecting depositors, many of whom were old folks, widows, orphans, innocent children. It worked out beautifully for the big boys just as they planned.

Big Leaders Amalgamate

On July 25, 1931, the amalgamation was formally accomplished between the National Bank of the Republic and the Central Trust Company, known as the Central-Republic Bank & Trust Company. This institution continued in business until October 5 ,1932. But the last two weeks of June saw the financing of a loan of $90-million from the R.F.C. to this bank, the Central-Republic Bank & Trust Company—the Dawes Bank—which "startled the country" according to Jesse Jones in his series of Saturday Evening Post articles. It seems that the story was "tacked on" the first article by Mr. Jones and inasmuch as he did not tell the full story, SOCIAL JUSTICE is going to supply it.

The Reconstruction Finance Corporation was organized on February 2nd, 1932, and General Charles G. Dawes was elected its president. He continued in this capacity until June 6th, 1932, when he tendered his resignation as president and director of the R.F.C., to become effective as of June 15, 1932.

Dawes Quits R.F.C. To Make Big Loan

The General resigned because of the serious condition in which his own bank was found. He could not possibly retain his position and secure the much-needed loan.

On July 2nd, 1932, after he had received his loan, there was so much adverse criticism, that Section 207 of the "Emergency Relief and Construction Act of 1932" became effective and has remained in full force and effect, it read as follows:

"No loan or advance shall be approved under this section or under the Reconstruction Finance Corporation Act, directly or indirectly, to any financial institution, any officer or director of which is a member of the board of directors of the Reconstruction Finance Corporation or has been such a member within the twelve months preceding the approval of a loan or advance."

Although the Dawes Brothers, Inc., were interested in the Central Republic Bank and Trust Company previously, on June 27, 1932, Chas. G. Dawes was elected a director and was made chairman of the board of directors of this bank.

Affects Savings Of 20-Million

In June, 1932, a severe financial panic prevailed throughout the nation. In the City of Chicago, all banks were under severe pressure. Numerous small banks throughout the city failed, as outlined above, and conditions in the financial district reached a stage of panic during the last two weeks of June, 1932. At that time, the Central Republic Bank & Trust Company had 122,000 depositors, of which 105,000 were savings depositors, whose deposits averaged $140 each. Among the 17,000 commercial depositors were country banks, the great majority of them in towns of fewer than 5,000 population. Depositors in the 755 country banks were totaled at 6½ million persons scattered over 15 states. Some 21,000 other banks scattered throughout the country, had deposits in the country banks listed which were commercial depositors of the Central Republic Bank and Trust Company, and in these 21,000 banks were the savings of more than 20-million people.

Within a week after the resignation of Charles G. Dawes, examiners of the Reconstruction Finance Corporation were busy making an examination of the Central Republic Bank and Trust Company for the purpose of making a loan to this bank. The original application for a loan was for $16-million, predicated on collateral amounting to $31-million.

Ask $95-Million In Night Meeting

Examiner Ralph Buss of the R.F.C. testified however, that the **actual examination of the collateral was not attempted due to the lack of time.** The investigation of Buss was not completed until on or after July 7, 1932, and after loans in the amount of $70-million had been made to the Central Republic Bank and Trust Company.

On June 27, 1932, at 1:00 A. M., following Charles G. Dawes' election of the board of directors and as its chairman, he announced that it was desirable and in the interests of the bank, its depositors and stockholders to apply for a loan of $95-million from the Reconstruction Finance Corporation and resolutions to this effect were then passed.

On June 28, 1932, at a regular meeting, the board of directors of the Central Republic Bank ratified, approved and confirmed in all respects the resolutions adopted at the special meeting of June 27, 1932.

Between the hours of 2:30 and 4:00 o'clock in the morning of June 27th, Central Republic Bank delivered to the Reconstruction Finance Corporation its written application for a loan not to exceed $95-million to mature on or before December 23, 1932, with interest at the rate of 5½ per cent per annum.

Dawes Note Is Returned

Simultaneously with the delivery of the application was the note of the bank in the principal amount of $95-million and both were turned over to the Federal Reserve Bank of Chicago. The Federal Reserve Bank acted as depositary, custodian and fiscal agent for the Reconstruction Finance Corporation under a written agreement existing between these two institutions.

The Dawes-bank loan was recommended by a special committee composed of H. P. Preston, Manager of the Chicago Loan Agency of the R.F.C. W. R. Milford and Ralph M. Buss, examiners of the R.F.C., and George M. Reynolds and Melvin A. Traylor, who headed the First National Bank and the Continental-Illinois Bank. Naturally these latter two were anxious to have the loan made to the Dawes bank to relieve the pressure on their own institutions. The other three depended largely on the bankers' opinion. They wanted help when they were pressed, but gave scant consideration to small bankers when they were on the spot.

Subsequent investigation proved, however, that Assistant Manager Hadlock of the Chicago agency of the R.F.C. took the application and note for a loan not to exceed $95-million to the Federal Reserve Bank at 8 A. M. on June 27, 1932; that by pre-arrangement, the Federal Reserve had made out a check for $10-million, which was to be paid over to the Central Bank, and received a note for $10-million from C. C. Haffner, Jr., the executive vice-president of the Central Bank.

Loan Is Paid Before "O.K."

At the same time, Haffner requested the return of the $95-million note which accompanied the application **"because General Dawes did not care to have a $95-million note out unless all of the money had been paid on it."** The note was returned as requested and ceased to be an obligation of the maker. This exchange of notes and the check for $10-million occurred at 8 A. M. and the meeting of the board of directors of the R.F.C. convened at Washington was not until 9:15. Therefore, this loan was made by pre-arrangement.

Moreover, the board of directors meeting of the R.F.C. did not refer to any $10-million disbursement, but authorized the disbursement of $30-million "including the loan of $16-million approved on June 25, 1932." **It subsequently developed that the $10-million had been authorized after it had been paid over the counter to the bank.**

Following a series of long distance telephone calls and conferences and meetings and relying upon the assurance of Charles G. Dawes that a loan would be used for the purpose of keeping "the bank open and not in contemplation of liquidation," the board of directors of the R.F.C. amended their resolution of June 25, 1932, approving a loan to the Central Republic Bank and Trust Company in the amount of $16-million by increasing the amount of the loan to $90-million!

R.F.C. Approves $90-Million Loan

The R.F.C. approved the $90-million loan and $5-million was subscribed by the First National Bank, the Continental-Illinois Bank & Trust Company, the Northern Trust Company, and the Harris Trust and Savings Bank, secured by the same collateral as that used by the R.F.C. but the R.F.C. was to have control of and administer this collateral. On July 13, 1932, these four participating banks paid to Central Republic Bank and Trust Company amounts proportionate to the amount loaned by the R.F.C.

On June 29, 1932, the Central Republic Bank and Trust Company delivered to the R.F.C. its two notes, in the amount of $30-million each, payable to the R. F. C. on or before December 24, 1932, with interest at the rate of 5½ per cent per annum. The two notes for $30-million each were identical.

An examination of the telegraphic advice and letters from the Washington office of the R.F.C. to the Federal Reserve and its Chicago office proves that the Chicago office either received new and different instructions or failed to authorize the disbursals "pursuant to the Washington telegraphic advice."

On June 29, 1932, the proceeds of these two notes in the aggregate amount of $60-million was credited to the account of the Central Republic Bank and Trust Company at the Federal Reserve Bank.

On June 30, 1932, the Central Republic Bank and Trust Company repaid to the R.F.C., through its agency, the Federal Reserve, $30-million loaned to it on June 29, 1932. And on July 25, 1932, the one day's interest was paid on this amount, or the sum of $4,520.55.

The other note was returned to the bank on September 29, 1932, with a letter which read: "In view of present developments, it is evident that this instrument will not be used and it is, therefore, returned for your files."

Second Note Returned to Files

This letter was signed by the then local manager of the R.F.C. who was forced to state under questioning that he was "unable to recall" what he meant by the "present developments." (This refers to the formation of the new bank, the City National Bank and Trust Company of Chicago.)

Fifty millions of this loan was later drawn on to form the City National Bank but that shall be the revelation of a succeeding chapter.

There is little question, but that the Chicago bank loan would not have been made only for the personal relationship of General Dawes. Many other banks in a much better position were denied just as badly needed loans, but because the banking situation had gotten out of hand in Chicago, because Melvin Traylor and George M. Reynolds had bitten off more than they could chew in trying to freeze out the small outlying banks, this loan was promptly made, upon their written advice and recommendation. Traylor and Reynolds, however, were only puppets of the manipulating financiers and bankers, the master minds of finance, who engineered this gigantic secret movement to destroy small banks.

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No Recovery Without Financial Reform

SOCIAL JUSTICE

Father Coughlin's Weekly Review

5c Per Copy

Volume IV. No. 2 | Royal Oak, Michigan | August 30, 1937

President Names Black to Court in "Affront" to Party

Solid South Now Solid Against Roosevelt; Third Party Tactic Is Well Defined

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—The unexpected nomination of Senator Black, Alabama liberal, to the Supreme Court was another in a series of extremely significant moves by President Roosevelt pointing to the dissolution of the Democratic party.

There is no question but that the president has finally stretched the cords of party harmony to the snapping point by a number of challenging actions at this session of Congress, beginning with the startling proposal to pack the Supreme Court with "predictable" judges.

Nor is there a reasonable doubt in the minds of seasoned observers that Mr. Roosevelt has, by his unprecedented behavior, knowingly and wilfully laid the groundwork for a third party movement in 1940.

Move Alienates Party Leaders

Certainly he has alienated the support of numerous Democratic leaders in the north; assuredly he has estranged the South beyond redemption. Such Senators as Wheeler of Montana, McCarran of Nevada, King of Utah and Burke of Nebraska feel, whether or not they admit it publicly, that they cannot any longer support a man they do not trust—and they cannot trust a man who could demand the enactment of such vicious legislation.

Southern leaders in the Senate and House have been champing at the leash for a considerable time, not only because of the court measure, but because of the president's condonation of C. I. O. terrorism and what they believe to be a violation of states' rights in the wage-hour bill.

As stated in **SOCIAL JUSTICE** before, Mr. Roosevelt has set out on a projected attempt to "purge" his party of all those who disagree with his policies, and, once this is done, to establish a coalition movement of loyal New Dealers, Progressives of the LaFollette stripe and radical elements in the farm and labor fields.

Whether he will be able to retain majority control of the Democratic party, and thus force his enemies to take the identity of a third party, the next year should tell.

One thing is certain. The Democratic party is broken to pieces, split irreparably.

Behind the Washington News Front

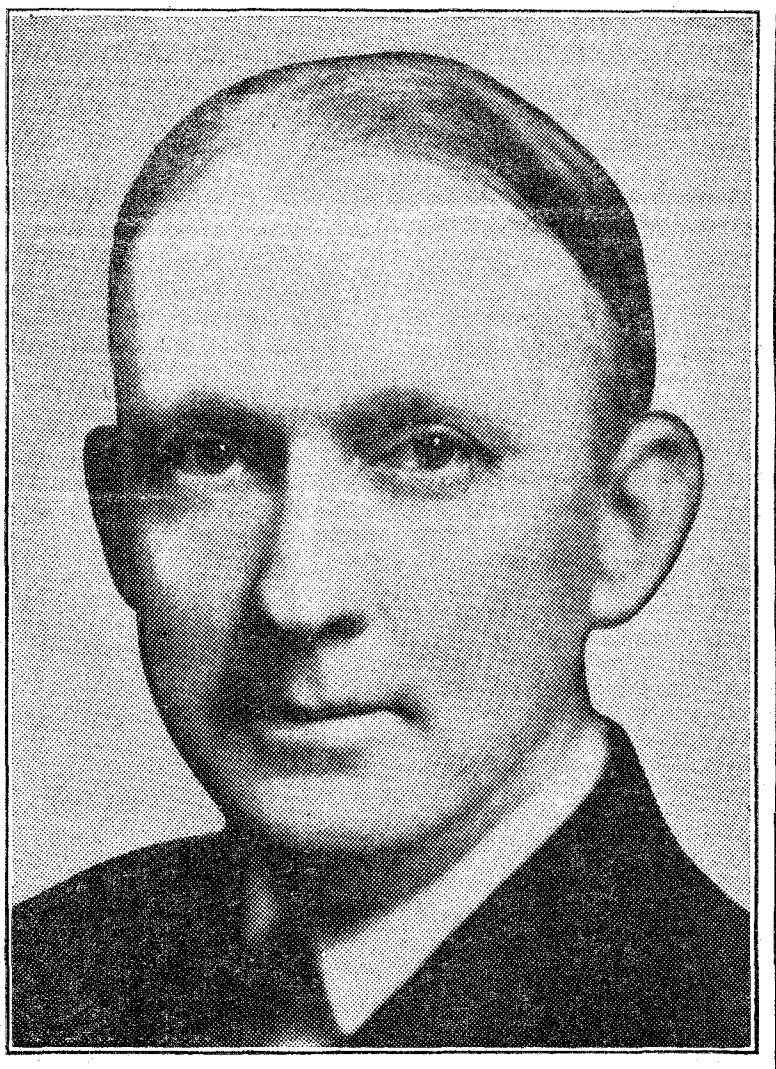
From Capital Bureau Of SOCIAL JUSTICE

SOCIAL JUSTICE scored a clean "beat" in reporting that President Roosevelt was aspiring to run for a third term. . . . We "hit the streets" with the story in our May 10 edition, a month in advance of any other publication in the country. . . . Since then three pro-New Deal governors of several states have joined in the movement to perpetuate Mr. Roosevelt in office, including Governors Earle of Pennsylvania, Benson of Minnesota and Allred of Texas. . . . Next to the proposal to "pack" the supreme Court, the third term yarn provided the most sensational news during the 75th Congress. . . . On two occasions during his press conferences the President was asked pointblank if he intended to seek re-election in 1940. . . . He refused to answer the question either time, choosing instead to ridicule and belittle the inquiring reporters. He has yet to deny the charge.

Even the President's closest friends agree that his appointment of Senator Hugo Black, Alabama New Dealer, to the Supreme Court was inspired by a spirit of vindictiveness against the South. . . . Black is roundly despised by southern Congressmen as a man who has persistently placed political opportunism above public service. . . . Despite his Alabama background, he is looked upon as one of the worst enemies of Dixie in Congress. . . . The sentiment against him was epitomized in the comment of Senator Holt, West Virginia Democrat, shortly after the court appointment was made public. . . . Holt's immediate reaction to Black's selection was: "This action by the President is a slap at the South and nothing else. Roosevelt wants to avenge his grudge against the South by shoving Black down our throats."

But the sectional issue that has arisen from the Black nomination is a minor one. . . . More than anything else, the appointment of the Alabaman was a "slap" at constitutional democracy. . . . Black is a New Dealer of the extreme type. . . . He is a left-winger who has been willing to go to any limit in furthering Roosevelt theories of government. . . . His only "qualification" for service on the high bench is the political support he has rendered the President since the New Deal took over the government. . . . Professionally, he has not the slightest claim to eligibility. . . . **His only court experience is 18 months as a police magistrate in Alabama and a short term as a county prosecuting attorney.** . . . Intelligent citizens will shudder to learn that the nomination of Black is regarded as indicative of the type of men President Roosevelt would have named had he won his fight to pack the Supreme Court with six new members.

NAMED TO SUPREME COURT



—Wide World portrait copyright by Bachrach.

Out of all the minds in America, trained in the profession of law and by long service qualified for judicial advancement, Senator Hugo L. Black of Alabama has been selected by President Roosevelt to fill the United States Supreme Court vacancy created by the retirement of Associate Justice Willis Van Devanter. The secrecy surrounding the appointment, and the surprise with which his selection burst upon Black's senatorial colleagues, broke long established precedent.

Secret Appointment Shatters Precedent

From Capital Bureau of SOCIAL JUSTICE

WASHINGTON, D. C.—President Roosevelt shattered precedent when he sent the name of Senator Black of Alabama to the Senate as his appointee to the United States Supreme Court.

He flouted tradition by refusing to make the appointment public at the White House, subject to release for publication when received by the Senate. Veteran observers on Capitol Hill said it was the first time this custom, of many years' standing, has ever been broken.

The procedure of naming Black was conducted in strictest secrecy until the nominating message was actually in the hands of the Senate clerk. The latter gasped when he came upon the appointment at the top of a few other routine appointments to inferior courts. Senators received the news in stunned silence.

It was apparent that the president had made the appointment in such a way that no one would get advance information. **Black himself had not been informed until two hours before the news broke.**

Why all this secrecy? Well, the president wanted immediate confirmation of the Alabama senator. He feared that, due to the controversy his appointment was sure to create, the Senate might depart from "senatorial courtesy" if it were known beforehand that Black was the man selected to succeed Justice Van Devanter, retired.

When a Senator is named to another post, it is customary for his colleagues to approve him immediately without referring his name to committee, and without debate.

In other words, the president didn't want to give the Senate a chance to deliberate. He figured Black's opponents in the chamber would "stand on ceremony" if taken by surprise and agree to prompt confirmation.

In this he did not reckon with such astute senators as Johnson of California and Burke of Nebraska, who moved that the appointment be referred to the judiciary committee.

Pressure Put On Farmers To Aid Court

Agents at Work With Threats to Defeat Relief Unless Groups Back Executive

By Staff Correspondent Of SOCIAL JUSTICE

WASHINGTON, D. C.—The one thing that contributed more than anything else to the defeat of the President's court packing bill at the first session of the 75th Congress was the conspicuous absence of farm support.

Not one ranking farm organization endorsed the court proposal. Two—the National Grange and the National Farmers Union — vigorously opposed it at committee hearings. The third group, the Farm Bureau Federation, also was identified with the opposition, but its leaders would not testify.

The fact that the President is demanding passage of crop control legislation at the beginning of the next session of Congress is a strong indication that he may revive the court issue. He virtually said he would when, during a recent conference with Representative Marvin Jones of Texas, chairman of the House Agricultural Committee, he declared:

"We all know that the Supreme Court as now constituted would kill any crop control program we proposed."

The President has done with "coaxing" the farmers. That has failed to bring support. The program now is to be coercion. The President already has hurled the challenge by announcing he will not agree to crop loans unless Congress first enacts legislation providing federal control of cotton, wheat, corn, hogs and other basic farm products.

Following up this veiled threat, administration agents are fast at work in agricultural areas. They are using this political syllogism on the farmers:

(a) If you want necessary crop loans you have to agree to crop control by the federal government.

(b) But the present Supreme Court will outlaw crop control legislation as unconstitutional.

(c) Therefore, if you want crop loans, support the President in his attempt to pack the Supreme Court.

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